Financial Statement and Budget (Indian)

1915-16 and 1916-17

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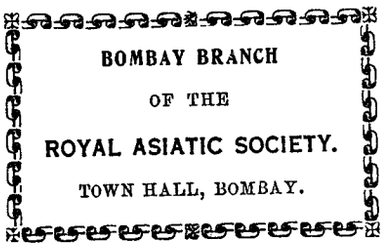

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EAST INDIA
(FINANCIAL STATEMENT AND BUDGET).

COPY

OF THE

INDIAN FINANCIAL STATEMENT AND BUDGET

FOR 1915–16,

AND

DISCUSSIONS THEREON IN THE LEGISLATIVE COUNCIL OF THE GOVERNOR-GENERAL.

Ordered, by The House of Commons, *to be Printed,*
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India Office,
13 May 1915.

T. W. HOLDERNESS,
Under Secretary of State for India.

(Colonel Yate.)

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GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

FINANCIAL STATEMENT AND BUDGET

FOR

1915-1916.

134392

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Speech of the Honourable Finance Member

INTRODUCING THE

FINANCIAL STATEMENT FOR 1915-16.

Introductory.

General effects of the War on trade and finance.

My Lord,

I rise to present the Financial Statement for 1915-16. Our procedure will be the same as on previous occasions: that is, there will be no debate today, but from the 8th March onwards time will be allotted for the examination and discussion of the budget proposals. The figures in the Financial Statement will then undergo such amendments as may be required by our later information or suggested by the discussions in Council. The Budget in its final form will be presented on the 22nd March, the usual closing debate taking place on the 25th.

2. Since I last addressed the Council on financial matters, India has been, and is still, passing through a crisis which has subjected her financial and economic system to a supreme test. It is true that, save for some vivid but happily transient experiences in the autumn, she has not felt the direct impact of war. But she has not been able to escape the consequences of that economic solidarity which binds her closely to the outside world. All her recent development has been on lines of diminished isolation. Her currency system connects her with the money markets of London and the world. She relies for internal development largely upon borrowings in London. Her prosperity is increasingly bound up from year to year with her rapidly growing foreign trade. Her internal financial arrangements, and above all her system of credit, in many respects follow Western models. Finally she is a part of a mighty Empire which is one of the foremost belligerents in this general war. It is inevitable therefore that India should feel the effects of the war from top to bottom of her economic system; they are written large over the Statement which I have to present to the Council today, and are affecting still more deeply the trade and production of the entire country. From the general financial and economic point of view—both to those of us who have studied the working of our fiscal system from the inside, and to Honourable Members here who represent India's agricultural and industrial activities of every kind—the history of the last few months is thus a matter of compelling interest; and I feel that the Council will look to me in the first place for some account of this period of crisis. I propose, then, at the outset to bring together some of the main financial incidents of the last seven months, to narrate how we have got through this difficult period, and then to take up the recital of those facts regarding our revenue and expenditure which in normal conditions it is the first object of this Statement to present.

3. Before doing this, however, I must premise that, as the Council must have anticipated, the task of preparing revised estimates of our financial position at the end of 1914-15 and a budget for the coming year has been one of very special difficulty. Ordinarily we have a large mass of data of past years to go upon; and, although budgeting must always be to a certain extent what one may term scientific guesswork, we have merely to consider how far the experience gained during the portion of the current year for which figures are available when our forecast is made, and the circumstances prevailing at the time with reference to commercial or agricultural prosperity or depression, the position in regard to railways and so forth, warrant us in departing from the standards of normal development which can be deduced from past actuals. This year we are in an entirely different position. The sudden outbreak of war and the dislocation of trade that has followed it, the vague and

unwarranted sense of insecurity which has led, for instance, to large withdrawals from our savings banks, are all (on this scale) totally new features, and it is most difficult to prognosticate how far there will be a recovery and in what specific directions. We have also the fact that nobody knows how long the war will endure, but we must at present budget on the supposition that it will last through 1915-16. All things considered, I have thought it necessary, in framing forecasts, to adopt an attitude of caution. We must not be too pessimistic, but at the same time, with all the surprises that the war and its economic results may yet have for us, sanguine estimating is entirely out of place. We are really groping in the dark and can only go as carefully as possible.

4. When the war came upon us we were fortunately in a very satisfactory financial position. Our total Treasury balances on 1st April in England and India had been found to exceed by about £1½ million the anticipation we had been able to make on the figures available when preparing this year's budget. Our large 5-crore loan had been a brilliant success, thanks largely to the patriotic enterprise of the Bank of Bengal, and the south-west monsoon gave full promise of agricultural prosperity. There was, therefore, reason to anticipate that, had circumstances continued normal, our Imperial surplus for this year would have been larger than the £1¼ million which we provided in the budget, being then obliged to estimate cautiously by reason of the agricultural situation in Northern India. Trade, it is true, had been somewhat dull owing to the preceding agricultural depression, to the after-effects of the banking crisis of 1913-14 and to the glut of piece-goods ; and the consequent weakness of exchange had made the Secretary of State's council drawings much lower than is usual during the first four months of the official year, a circumstance which proved later on to be a fortunate one for us on this side. But at the end of July there was every reason to anticipate that the trade depression which I have mentioned would clear off and that we should have a really good year.

Owing to the conditions I have mentioned, our Treasury balances in India were very high, while the amount of gold held by or for the Government in London and in India taken together stood at £23½ million, of which nearly £5 million was in the Gold Standard Reserve and the rest mostly in our Paper Currency balances. In addition, the Secretary of State held in the Gold Standard Reserve, besides the ordinary Reserve investments, a considerable amount in special short-term securities, some of which were about to mature.

The Presidency Banks, too, were in an exceptionally strong position with regard to their balances, after allowing for the fact that a portion of these consisted of Government deposits.

5. The first effect of the European war, which began to operate even before Great Britain had actually been drawn in, was a threatened break in exchange. The Government of India took immediate steps to deal with this aspect of the general situation, and were able to make a preliminary reassuring announcement on the 1st August. On the 3rd August we publicly formulated, with the approval of the Secretary of State, the measures which we had decided to adopt. In the first place, we formally undertook to support exchange by all the means in our power. This was a policy which the Royal Commission on Indian Finance and Currency had recommended in their recently published Report : it fell to us to declare our adhesion to it at the outset of a crisis of unprecedented magnitude and totally uncertain duration.

In the second place, we announced our intention, in pursuance of this object, to sell sterling bills on London, or "reverse bills" as they may conveniently be termed, up to a maximum limit of £1 million a week until further notice. This, too, was an innovation on previous policy. In the exchange crisis of 1907 and 1908 the amount sold had usually been £½ million a week, and occasionally £1 million, but the exact amount was settled afresh just before each successive weekly sale. The present was the first occasion on which the Government of India undertook beforehand to maintain sales on an ample scale. Again, to adapt the system still more fully to trade requirements, we combined with the sale of bills the practice of selling telegraphic transfers also, thus providing a guarantee of immediate remittance when required. A few days later, too, we arranged that bills should be payable in London 16 days after the departure of the weekly mail, thus eliminating the uncertainty due to posssible delay in the arrival of the bills by mail steamer.

The object, and, as events have shown, the actual effect of these arrangements was to promote confidence by assuring the banking and commercial public of adequate and continuous facilities for remittance, secured by the whole resources of Government. Incidentally, also, it prevented purely speculative competition for reverse bills and transfers by removing the possible apprehension that Government might at any moment reduce the amount available. Only in the first week following the declaration of this policy did the applications exceed the £1 million limit. Thereafter the volume of weekly tenders was gradually reduced; and after the first demand for remittance had thus been met, it rose and fell, within moderate limits, in correspondence with the fluctuating requirements of the time, until eventually the demand sank to a quite small amount, and has latterly disappeared altogether, at any rate for the time being.

In all we expect, by the end of this year, to have sold bills and transfers to the total extent of about £8¾ million. The sums thus received have been credited to the Gold Standard Reserve in India *pari passu* with the Secretary of State's withdrawals from the Reserve in England in order to meet the bills and transfers falling due for payment by him from week to week. The net result has, of course, been a great strengthening of the Gold Standard Reserve on this side.

Lastly, in he early days of the crisis, we strengthened that Reserve by exchanging £4 million of silver held therein on this side for an equivalent quantity of gold previously held by us in the Paper Currency Reserve.

6. At the same time as we first notified the selling of reverse bills and transfers, we took steps to restrict the dissipation of our gold in India by laying down that no gold should be issued to any one person or firm to a less extent than £10,000. The object of this was to secure what we thought would be a rough test as between applications for gold for eventual remittance purposes and those which were merely for hoarding or for local requirements. This limitation, however, was defeated by various individuals and firms clubbing together so as to make between them a demand which conformed to our minimum. Between the 1st and the 4th August we had already lost about £1,800,000 of our gold; and on the 5th August, when it was announced that Great Britain was actually at war with Germany, we took the further step, for which we had previously obtained the Secretary of State's approval in anticipation of that contingency, of refusing the issue of gold altogether to private persons.

We had then a stock of about £10 million of gold on this side in the Paper Currency and Gold Standard Reserves taken together, and that aggregate figure still remains practically unaltered. I may mention here, as regards the local rates of exchange as between sovereigns and rupees, that the Calcutta figures show that a sovereign exchanged for ₹15-6 instead of the normal ₹15 by the end of August, and that the rate varied between ₹15-5 and ₹15-8 until November. In December, however, it fell steadily and it now fluctuates from ₹15-1 to ₹15-3 only.

7. The next grave difficulty that the outbreak of war brought upon us was in regard to our savings banks deposits and currency notes. The general trade and credit position which the war set up was most serious in Bombay, mainly as a result of the banking and commercial crisis of the preceding year which had been more severe there than elsewhere. There was also considerable uneasiness in the Punjab, which had likewise suffered from the late banking crisis, but it was in Bombay that the difficulties I have mentioned arose in the most acute form. The deposits in our Post Office savings banks amounted in all to somewhat over 23 crores at the beginning of this year and by the 31st of July had risen to 24½ crores, the increase being due mainly to the more liberal conditions announced in paragraph 58 of my speech introducing the last Financial Statement. From the second week of August there was a heavy and excited run by savings banks depositors upon their funds, and in August and September together there was a net withdrawal of about 6 crores (£4 million) of these deposits, due to misguided apprehension in regard to the effects of the war upon the stability of the Government of India, which was every now and then fanned by wild stories of imaginary reverses sustained by our allies or ourselves, and by the untoward incidents connected with the career of the late *Emden*. Since then the drain has materially slackened, but in all we calculate that by the end of this year we shall have lost about £7 million of savings banks deposits which we have had to pay out from our general balances. I may say here that we did what we could to promote confidence

by putting the Post Offices in adequate funds and enjoining the prompt payment of all claims; and it is perhaps a welcome indication of the way in which the strength of our financial position is really viewed by our enemies that a number of German prisoners at Ahmednagar have themselves opened accounts with the Government savings banks.

8. The demand for the encashment of currency notes was most serious in Bombay, and the total abnormal encashment in that Presidency as a result of the crisis has been estimated at about 2¾ crores in August and September out of 4¼ crores in respect of India as a whole. Outside Bombay the largest encashment occurred in Burma, and in the Punjab too it was considerably larger than in ordinary years; but in these cases the increase appears to be due as much to the special trade conditions of the year as to uneasiness arising directly from the crisis.

The Government at once took steps to check any panic by issuing instructions that every endeavour should be made to meet promptly all demands for encashment at district treasuries, whereas ordinarily, it will be remembered, a note is only encashable as of right at a Currency centre. A very large number of notes were cashed in this way in the districts, especially in Bombay and the Punjab, and it may be hoped that when the crisis passes away, the measures we took will have the effect of ensuring a permanent increase in the popularity of currency notes and consequent extension in their use. It must be borne in mind, however, that the very fact that we were obliged to strengthen the cash resources of district treasuries and of the savings banks, besides adding to our deposits with *muffasal* branches of Presidency Banks, imposed an extra strain on our balances by preventing the economy which we usually obtain by their concentration, so far as possible, at the Presidency towns and other important commercial centres.

The abnormal run on our notes was of relatively short duration. Nevertheless, owing to depressed trade conditions resulting from the war, our net note circulation, excluding the holdings by Reserve Treasuries and by the Presidency Banks at their head offices, remained nearly 7 crores (£4⅔ million) less at the end of January than on the corresponding date in 1914.

9. Having regard to the present abnormal trade conditions and to the extraordinary strain on our credit generally, I consider that the position of our paper money calls for full satisfaction. Our notes circulate freely, and apart from very minor temporary local incidents, there has never been any question of their being depreciated as compared with coin. We may also regard with pleasure the present position, in quite exceptional conditions, of our Government paper, as well as of the somewhat analogous securities of our great Municipal Corporations and Port Trusts. Our 3½ per cent. rupee paper was quoted at Rs. 95-14 this time last year, and it now stands at only some Rs. 3½ less—a striking testimony, surely, to the strength and stability of our financial position.

10. As I have already said, the Secretary of State's council drawings had been relatively small before the war began, and owing to the fall in exchange caused mainly by the dislocation of our export trade, they have been since then, and until quite lately, at a very low level. In all, we estimate that during the current year he will have obtained £6·9 million* by ordinary council bills and telegraphic transfers, against £20 million which we estimated in the Budget as being the extent of his requirements for Ways and Means purposes. In the earlier stages of the crisis he also transferred to his treasury £1 million of the gold held in London on account of the Paper Currency Reserve, an opposite payment to that Reserve being made in India; and he has been helped by gold remittances from India to the extent of about £600,000. Also we have had to spend here, in connection with the war, sums largely in excess of the amount which India contributes as an equivalent of what she would have spent in normal times on the expeditionary forces she has sent in aid of the Home Government. This excess outlay is recoverable from His Majesty's Government, and is periodically realised from them by the Secretary of State. To that extent, he is in the same position as if he had actually drawn money on council bills, as we meet the expenditure and he gets the equivalent.

Taking his ordinary council drawings together with these other sources of supply, we estimate that in the current year he will, in all, have obtained about £17 million against the Budget estimate of £20 million above referred to.

* Exclusive of £600,000 which he will appropriate to the Gold Standard Reserve from his sales towards the close of the year.

The Secretary of State has thus been far more fully financed than might at first have seemed possible in view of the weakness of exchange in the earlier part of the year and the reversal of the remittance current as soon as the war broke out.

11. I now turn to the effects of the war on the commercial and credit position in India, which of course materially influences our revenue receipts, especially under Customs and Railways. In the first place, internal credit was seriously prejudiced by the attitude of a large part of the Marwari community, who play such an important rôle in conducting and financing the trade of the country. Speaking generally, instead of conforming to the excellent British maxim of 'business as usual,' they departed to their homes, taking with them as much of their capital as they could readily lay hold of, and thus materially hampering the working of the credit machinery with which they are so intimately connected. As regards the banks, the position of the Presidency Banks was, as I have already said, very strong before the crisis, and in order to promote public confidence the large Government deposits which they already held were further increased at the outset of the war, and have since been kept at as high a level as our resources permitted. We have preferred, in fact, to borrow somewhat more freely from the Gold Standard Reserve—a matter to which I shall refer later—rather than curtail unduly the resources placed at the disposal of trade.

The bank rate was low when the war commenced, as is usual at that season of the year, being 3 per cent. in Calcutta, 3 per cent. in Bombay, and 4 per cent. in Madras. As a measure of protection, the Bank of Bengal raised its rate to 5 per cent. on the 6th August, and the Bank of Bombay to 4 per cent. on the same day, and to 5 per cent. on the 13th; while later on the rate was increased, at somewhat different dates, to 6 per cent. for all three banks, at which figure it now stands. It is understood that the Indian branches of the Exchange Banks were also in a strong position at the commencement of the crisis.

As regards other banks, the previous year saw the collapse of a large number of (generally speaking) recklessly managed banking institutions. In the light of subsequent events, however, we may reckon it as fortunate that the disappearance of these banks occurred before the present crisis. Though the want of confidence engendered by their failure tended to accentuate the difficulties in Bombay and the Punjab, the situation would have been far more acute had the banks in question been still in existence and then collapsed as they must have done. As it was, two banks which had been badly shaken by the previous crisis, though they survived it, now fell. One of these, the Punjab Co-operative Bank, established in 1905, was compelled to close its doors on the 14th September. Another, the Bank of Upper India, established as far back as 1862, suspended payment on the 8th October. It is probable, however, that these events had been largely discounted beforehand, for they did not produce any widespread panic.

12. I now pass on to the direct effects of the war upon our foreign and internal trade and production. As I have previously said, there had already been a period of depression, though we had every reason to assume that, ordinarily, this would presently have passed away. The first result of the war was naturally to stop our considerable trade with Germany and Austria. India's total import trade in private merchandise was in 1913-14 valued at £122 million, and of this £8·4 million (nearly 7 per cent.) was with Germany, and £2·9 million (or 2·3 per cent.) with Austria-Hungary. Of the exports from India, valued in 1913-14 at £166 million, £17·6 million (10·6 per cent.) represented trade with Germany and £6·7 million (4 per cent.) with Austria-Hungary, the chief items being food-grains, raw cotton and jute, and seeds and hides and skins.

The shutting-off of the export trade to these countries was of course even more serious than the closure of the import trade, both by reason of its greater value and because, while the imports were largely capable of replacement from other sources, the removal of these two customers for exported Indian goods, concurrently with dislocation of trade in other directions, resulted in a reduction in the demand for, and in the price of, certain important commodities, so that in some cases values have been seriously affected as well as volume. Moreover the much higher loss of trade on the export side has, of course, special significance from the point of view of exchange.

The war has likewise produced a complete stoppage of our trade with Belgium, and a very large diminution of that with France, and here again the principal items of export are those just mentioned. Since November, too, we have been at war with Turkey, but our trade with her is much less important. Its chief item is the export of rice to Turkey-in-Asia.

There have also been necessary restrictions in regard to the export of certain articles, dictated in some cases by direct military requirements and in others by the necessity of preventing supplies reaching our enemies through neutral countries. Hides and skins, jute (raw and manufactured), wool, and wheat are among the articles in respect of which the free course of trade has thus been interfered with.

13. The dislocation which resulted from the war was not, however, limited to the shutting down or curtailment of particular elements of India's trade, but extended to her sea-borne commerce as a whole, and especially to the export portion. The main difficulties were not only those of finance, which I have already touched on, and which were aggravated by a general disturbance of the world's exchanges, but also a serious shortage of shipping arising primarily from the necessity for taking up vessels for military transport purposes.

14. The most immediate problems which arose were those connected with jute. Very high prices had been realised for this commodity in the preceding year, and these had actually touched ₹90 per bale of raw jute. With the consequent large sowings in the current year, accompanied by favourable agricultural conditions, a record crop was grown which would in any case have resulted in a very substantial drop in prices. Apart from this, as a consequence (due to the war) of the inability of buyers to take delivery under existing contracts, the jute mills were naturally not prepared to buy largely or except at very low rates. The reluctance of buyers of jute to come into the market at first caused apprehension that the cultivator would decline to sell at the prices offered and would prefer to allow a substantial portion of the crop to remain uncut. This fortunately proved not to be the case, though the price of raw jute necessarily showed a great drop from the record figure obtained in the preceding year, falling as low at one time as ₹31 a bale. The difficulties of the mills were subsequently to some extent removed, as tonnage for the shipment of their goods became more readily available, and this caused some rise in jute prices. But the initial paralysis of the internal trade is clearly indicated by the fact that whereas between August and October 1913 the issue of rupees from the Calcutta Currency Office in connection with the financing of the jute crop, amounted to some 13 crores of rupees, the issue in the corresponding period of 1914 was about 56 lakhs only.

As regards the ryots, although the sudden change from abnormally high to abnormally low prices has gravely affected, for the time being, the general prosperity and well-being of the jute districts, the winter harvest in these tracts has fortunately been quite fair; and we may well hope that, with the better prospects of the jute trade which now seem probable, there will be economic recovery in the supplying areas.

15. While Bengal was thus affected in regard to jute, there were also grave difficulties, mainly on the Bombay side, in respect of another great staple—cotton. The position when the war broke out was itself unsatisfactory, since previous over-trading, and the depression caused by the banking crisis of 1913-14, had led to the accumulation of stocks of piece-goods and the lock-up of capital in connection therewith. Then came the war, and with it the cutting off of large markets and a concomitant world-slump in the price of raw cotton, which in India was further threatened by the fact that the incoming crop promised to be a good one. Moreover, traders who ordinarily take a large part in the internal financing of the cotton crop had, as already stated, left for their homes. The position, and its possible consequences both to traders and ryots, naturally excited grave apprehension in Bombay, and towards the close of November the Government of India called a representative conference, over which I had the honour to preside, to consider the situation, and how far it might be feasible and legitimate for Government to intervene. The action taken as the result of that conference has already been made public by a Government *communiqué* and was further explained a few days later in the speech made by Your Excellency in opening the present Legislative Session. It will suffice to say here that we came to the conclusion that the best method by which we could afford financial assistance—one which would, moreover, be also applicable in the case of other branches of trade that might be threatened by similar disturbance—was to

facilitate an extension of credit which would assist the holding up of existing stocks where occasion required, without prejudicing the supply of capital required for fresh undertakings. The Presidency Banks undertook to give liberal advances for this purpose, while the Government agreed to place them in funds where necessary by loans of public money, which would not be called up till the special circumstances requiring them had passed away. In order to provide us with the necessary resources for doing this, and also to assist us in meeting our other liabilities in the event of unexpected emergency, we obtained the sanction of the Secretary of State to the temporary adoption of a measure which had been recommended by the Royal Commission on Indian Finance and Currency, *viz.*, a further investment of £4 million from the Paper Currency Reserve, which the Government could thus draw upon for these purposes by creating a special loan *ad hoc* when they needed to do so.

I may observe here, as an instance of the way in which depression in one branch of trade reacts on another, that a decline in prices of commodities such as jute and raw cotton necessarily restricts the purchasing power of the cultivators and their demand for imported commodities, such as piece-goods.

16. Another staple which has been adversely affected by the war is the ground-nut crop of Madras, which is largely exported to France for the purpose of being made into table oil there. Difficulties were also experienced in connection with tea. After the United Kingdom, India's largest customer for this commodity is Russia, and the disturbance to finance which accompanied the war rendered it impossible at first for the Russian buyers to make their usual purchases. This difficulty was, however, subsequently surmounted, in part, by financial arrangements made between His Majesty's Government and that of Russia which supplied funds in London towards exchange facilities for Russo-British trade.

17. The Council are also aware that a heavy rise in local prices has compelled us to take drastic measures to restrict the export of wheat, and although this action is, we consider, amply justified in the interests of our own people, it necessarily prejudices our export trade.

18. I have said enough to show how seriously and how variously our outward and inward trade has been affected by the conditions arising out of the general war. It is too soon yet to hope for any decisive turn of the tide; but the situation has been eased to some extent by the recovered security of Indian waters, and there are welcome indications, too, of increased confidence and trade activity in India itself. In this connection the following figures, which I owe to the department of Statistics, will be of interest. They show month by month since the war began the falling off in trade as compared with 1913-14, and also compare the totals for the first 9 months of the year with those of the corresponding period in each of the two preceding years.

	Imports.			Exports (Indian Merchandise).		
	1914 ₹ (lakhs).	ecrease ₹ (lakhs) as compared with 1913	Percentage decrease.	1914 ₹ (lakhs).	Decrease ₹ (lakhs) as compared with 1913.	Percentage decrease.
August	12,93	3,20	20	9,63	7,61	44
September	7,40	9,25	56	7,56	11,91	61
October	12,36	4,19	25	9,97	11,71	54
November	11,94	4,52	27	15,80	3,24	17
December	10,20	4,23	29	12,80	6,08	32
Total for five months	54,83	25,39	32	55,76	40,55	42
Total for April—December 1914.	1,09,60	...	...	1,37,80	...	...
Do. 1913.	1,36,28	...	...	1,74,45	...	...
Do. 1912.	1,17,13	...	...	1,74,68	...	...

19. I have now concluded my general review of the financial events of the war period up to the present date. We have in truth been much buffeted, but the inherent strength of our financial and economic position has been demonstrated at every turn. Our loans and our paper money stand practically unimpaired in public estimation. An unprecedented drain on our savings banks has been met, and though withdrawals still continue they are now on quite a small scale. So far as India is concerned, there has been no crash in exchange such as pessimists sometimes threatened us with in a world-crisis: on the contrary, the measures taken to maintain the stability of the rupee have met with full success. As regards both foreign and internal trade, after some natural bewilderment and dislocation at the outset, readjustment is already taking place, and at no time has it been necessary to give serious consideration to the expedient of a *moratorium*—the panacea found necessary in so many other countries. Above all, while India has steadily faced all her obligations, she has not had to fall back on outside resources for any extraordinary measure of help. She has borrowed of course more freely, but without prejudicing her credit; and, to a large extent, her additional borrowings have been taken from her own reserves. We cannot say what the future has in store for us, but we are entitled, in the light of our recent searching experience, to look forward to it with sober confidence. That confidence is materially strengthened by the agricultural situation, which affords a most welcome contrast to the conditions prevailing when I presented my last Financial Statement. The south-west monsoon and the winter rains have alike been abundant, and we can now look forward to exceptionally bountiful crops.

Changes in forms of account.

20. I now pass on to the task of laying before Council our estimates of the present and coming years. To enable me to do this, however, I must first explain certain changes which we have adopted, with the approval of the Secretary of State, in Statements A, B and D of the Financial Statement, and which will, I hope, be found to make these more clear.

In the first place, we have got rid of the confusing accounts expedient described as a 'transfer through the Land Revenue head.' At present, as Honourable Members are aware, if the Land Revenue of a province is divided, say, in equal shares between Imperial and Provincial, it is not shown as so divided in our Budget statements and accounts, because any contributions which we may happen to be making to the province are treated as diminishing the Imperial half share and enhancing the Provincial half share, and conversely with any adjustments at the expense of a province in favour of the Government of India. Contributions of the former character are numerous and, in the aggregate, important, especially those which are made under the terms of the Provincial settlements and subsequent allotments in respect of education and sanitation. The method hitherto in force is confusing and, as I have always thought, unscientific. It tends to obscure the real share of Imperial and Provincial Land Revenue according to the settlement and, as brought out in paragraph 23 of my speech last year, it prevents our explaining variations in Land Revenue in the concise way which we can adopt in regard to other heads. There is also the disadvantage that, if new Budget proposals involve further grants to Provincial Governments, the effect of these has to be explained in connection with Land Revenue transactions, whereas they could more conveniently be dealt with by themselves or along with other proposals.

We are accordingly going to confine the Land Revenue transactions to their proper scope, and to show all the adjustments above referred to under a new head entitled 'Transfers between Imperial and Provincial Revenues,' which will be found at the foot of Statement A of the accounts which I am now presenting. All such assignments to Provincial revenues will appear as *deduct* items in the Imperial columns and as *add* entries in the Provincial, the signs being reversed in those relatively infrequent instances in which, for some special reason, a net assignment has to be made from Provincial to Imperial.

21. Secondly, we have eliminated rupee figures from Statements A and B, and have so made it possible, without adding to their size, to arrange them in a form which brings out at once, for both revenue and expenditure, the two main lines of distinction, *viz.*, (*a*) the distribution as between India and England, and (*b*) the

distribution as between Imperial and Provincial. I may add that we have not made any change as regards the figures contained in the Financial Secretary's Explanatory Memorandum, which are primarily expressed in rupee currency.

22. Thirdly, we have somewhat amplified Statement D, which shows the transactions of Provincial Governments, following generally the lines adopted in the appendix to the Financial Secretary's Memorandum explaining the Budget estimates for the current year—*vide* page 262 of the Financial Statement for 1914-15. The information now given in the amended statement will, I hope, be of assistance to Honourable Members who are interested in the course of Provincial finance.

23. I have also to draw attention to two further changes which we have made in Statements A and B. The heads of account numbered XXI and 26 used to deal with 'Scientific and other minor Departments' and have hitherto included Agriculture. But in view of the importance of agricultural development and the desirability of readily tracing the progress of outlay thereon, we have now placed agricultural expenditure under a separate head, 26-A, while the other expenditure, hitherto brought together under head 26, now figures under '26-B, Scientific and Miscellaneous Departments.' The same sub-division has been made in the corresponding Receipt head (XXI) of Statement A.

The second of the two changes above mentioned is the amalgamation of the hitherto separate heads of Post Office and Telegraph, following on the amalgamation of the administration of these two Departments.

Forecast of Financial Conditions in 1914-15 and 1915-16.

Revised Estimate of Revenue and Expenditure for 1914-15.

24. The general position, as far as we can now forecast it, is brought out in the following table which compares the current year's Budget and the Revised estimate now put forward.

[In millions of £.]

	Budget, 1914-15.			Revised, 1914-15.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . . .	**54·237**	30·842	85·079	**49·927**	30·229	80·156
Expenditure . . .	**52·981**	34·048	87·029	**52·669**	32·446	85·115
Surplus + or deficit — .	**+1·256**	—3·206	—1·950	**—2·742**	—2·217	—4·959

Revenue—Imperial.

25. We budgeted this year for a total Imperial revenue of about £54¼ million. The Revised estimate shows only about £50 million, or a total decrease of £4¼ million, a result which is, speaking generally, entirely attributable to the war, and more especially to the decrease in the two large sources of revenue which have been most severely affected by the consequent dislocation and depression of trade, *viz.*, Railways and Customs.

26. The largest decline in revenue is that expected under State Railways. The Budget estimate of gross receipts for the current year, £37·7 million, was taken at practically the same figure as the actuals of 1913-14. In the first four months of the year, *i.e.*, prior to the outbreak of war, the Railway revenue was some £260,000 in advance of the corresponding period of the preceding year; but in the six months following the outbreak of war there has been a decline of £1,490,000. The Railway revenue has also been affected by the fact that the closing months of 1913-14 and the earlier months of 1914-15 were depressed by the crop failures in Northern India and the commercial and banking crisis in the north and west. Having regard to the

continued depression of trade, we estimate that the total gross receipts this year will be £35·6 million, or about £2 million less than the Budget.

Under working expenses, on the other hand, there is a reduction, as compared with Budget anticipations, of £73,000 only. With a large and sudden drop in a previously established standard of receipts, it is impossible to effect forthwith a proportionate reduction in working expenses. The railways are equipped to carry a certain amount of traffic and, as much of the expenditure is of a fixed character, there are obvious difficulties in reducing its scale, especially when the decline in traffic is temporary, as we expect it to be on the present occasion. Secondly, a large amount of comparatively unremunerative military traffic has been carried in recent months, a fact which evidently tends to raise the general average of working expenses to gross receipts.

Allowing for a small increase in the payment of surplus profits to companies based on the traffic of 1913-14, the actual profits earned in that year being higher than had been anticipated, we take the total decline in net Railway receipts at £2,065,000.

27. Under Customs we now estimate our total revenue at £6,320,000, which is £917,000 less than the Budget anticipation. The most important decreases occur under manufactured articles, sugar, export duty on rice, cotton manufactures, and metals (other than silver) and manufactures thereof, while on the other hand we expect some considerable increase under silver and petroleum.

28. There is also a large fall, amounting to £361,000, in the Interest receipts. About a third of this is due to the depletion of balances in London on which, in normal times, the Secretary of State would have been earning money, pending their eventual employment. The rest of the decrease is nominal and is practically counterbalanced by a like reduction under expenditure. It arises from a technical change in the treatment of advances to, and overdrafts of capital by, the Bengal-Nagpur Railway Company in accordance with the provisions of the new contract with them.

29. Under Opium, there is a loss of £283,000, which is due, in large measure, to the war and the consequent disturbance of foreign trade. This led to a heavy fall in prices, which we had to meet by fixing a substantial upset price (₹1,600 per chest) below which we refused to sell. The result is that out of the 13,200 chests which we originally expected to sell at an average price of ₹1,700 a chest, we now expect that about 1,500 chests will remain unsold, and that the average price realized by the remainder will amount to ₹1,589 only.

Stagnation of business, and interference with telegraphic communication entailed by war conditions, also account for a fall of £213,000 in the gross receipts of Posts and Telegraphs.

30. Economic depression has likewise left its mark on other heads, though in their cases the loss is shared with Provincial. Our Excise revenue has naturally fallen much below budget anticipations. The same is true of Stamps; and under Land Revenue too there is a considerable decline, to which other circumstances have also contributed. Scarcity conditions at the outset of the war, and economic depression afterwards, have caused a return of small coin from circulation, with a corresponding diminution of our anticipated profits on coinage. The only head of revenue in which an important betterment on budget anticipations has occurred is Salt; and here, I regret to say, the improvement is almost wholly illusory, as it represents advance payments of duty effected in the expectation of increased salt taxation.

Revenue—Provincial.

31. The aggregate Provincial revenue was estimated in the current year's budget at £30·8 million, and is now taken at £30·2 million As I have just mentioned in connection with the Imperial figures, there has been a heavy fall under Excise (£266,000), Land Revenue (£255,000) and Stamps (£167,000). The Forest revenue, too, falls short of expectations by £271,000, the decrease occurring mainly in Burma, where war conditions have affected the teak market, and the United Provinces, where a scheme for the supply of railway sleepers has been delayed, with a consequent

reduction on both the revenue and expenditure sides. The Irrigation revenue, owing partly to last year's deficient rainfall, has improved.

Expenditure—Imperial.

32. We budgeted for a total Imperial expenditure of almost £53 million, which is now reduced to about £52·7 million. Of this decrease, £200,000 under "Interest on capital deposited by companies" follows automatically on the revised procedure in respect of interest charges referred to in paragraph 28. The estimates for Military Services have naturally been much disturbed by the war, but owing to the operation of several counterbalancing factors, the total figures show relatively little divergence from the Budget, a saving being now anticipated of £64,000 in the gross expenditure and of £13,000 in the net. I may also mention incidentally, with reference to paragraph 16 of my speech of last year, that the present estimate provides for the completion of the payment to the Mysore Durbar in respect of the surplus revenues of the Bangalore Assigned Tract.

Expenditure—Provincial.

33. The aggregate Provincial expenditure was taken in the Budget at £34 million. It is now estimated at £1½ million less, *viz.*, about £32½ million. The principal reductions occur under Education (£738,000), Medical (£352,000) and Civil Works (£380,000), and are due to the Local Governments not having spent in full the grants placed at their disposal for the development of education and sanitation and for other purposes. As I suggested in paragraph 28 of my speech last year, I was a little sceptical then as to their ability to spend all that they hoped; and it may be that some lapse would have occurred in any case. But it is only fair to add that, in view of the present financial situation and after reference to the Secretary of State, we issued orders that expenditure not specifically provided for in the Budget should not, save in very special circumstances, be embarked on this year, so that outlay of this description, which would in ordinary years have been found by reappropriation from items where savings were anticipated, has not been incurred.

General Results—Imperial and Provincial.

34. I can now sum up the final position of our revenue account for the current year. As I have shown, the greater portion of the loss of revenue resulting from the war has fallen against the Imperial side, Imperial revenues being more dependent on those resources which are specially responsive to trade conditions; and our expected surplus of £1¼ million has thus been converted into a deficit of £2¾ million. In the case of the Local Governments the total loss of revenue, though widely diffused, has been much less, and the scope for retrenchment was greater, owing to the specially heavy provision made in this year's budget for new outlay. The Provincial account has thus improved, the deficit, *i.e.*, drafts on provincial balances, being reduced from the total of nearly £3¼ million allowed in the Budget estimate to about £2¼ million only. Doubtless those Honourable Members who have followed our Railway and Customs returns since the war broke out will be already fully prepared for some such broad results as those which I have just stated, and I think they will agree with me in not being unduly perturbed at this inevitable outcome of war conditions. On the whole account, that is combining the Imperial and Provincial sides, and taking into account retrenchment of expenditure in relief of loss of revenue, the net deterioration, as compared with our expectations when the budget of the year was framed in peace conditions, is just about £3 million.

Revised Estimate, 1914-15. Ways and Means position.

35. Next as regards the Ways and Means position. Honourable Members will recollect that our main task in preparing our financial programme for the current year was

to find means of financing a railway programme of £12 million, in addition to heavy expenditure, amounting to nearly £3¼ million, by Local Governments in excess of the provincial revenues of the year. For these and other less important commitments falling outside the revenue account, we had a satisfactory opening balance to look to, and the promise of a normal surplus in the current year, and of a substantial amount of new deposits in our savings banks which we hoped would be increased by the more elastic rules referred to in paragraph 58 of my last year's speech. For the rest, we proposed to rely, in the main, on a scale of borrowing which had not hitherto been customary. Until the advent of the war, our anticipations promised, as indicated in paragraph 4 above, to be amply fulfilled. There was thus every prospect of our financing the programme of capital outlay which we had laid down for the current year, and of being left with a helpful margin of funds to assist in meeting the requirements of 1915-16. The whole position has, however, been entirely modified by the war. As already stated, our budgeted Imperial surplus of £1¼ million is turned into a deficit of £ 2¾ million, *i.e.*, a total worseness of £4 million. Under Unfunded Debt, the head into which the savings banks transactions referred to in paragraph 7 enter, the net addition to our resources of over £1¾ million which we assumed in the budget is turned into a net drain amounting to more than £5 million, that is a further worseness of nearly £7 million. In these two ways alone the war has therefore taken from us nearly £11 million of the resources on which we relied for capital outlay on railways and irrigation, for the construction of Delhi, for the financing of the expenditure of Local Governments from the large balances to their credit, and a variety of other requirements; and we have lost a further sum of somewhat less than £1 million owing to a larger withdrawal from our treasuries of funds deposited therein by local bodies and other parties which are allowed to bank with us.

36. This aggregate loss of approximately £12 million was partly counterbalanced, as I have said in paragraph 4, by an improvement of about £1½ million in the opening balance of the current year, while Local Governments have curtailed their drawings on our balances by £1 million. There has also been a lapse of £303,000 on the grant for the construction of New Delhi, to which I shall refer at a later stage, and one of £370,000 in the capital grant for railways. These improvements, however, still left a large gap to be filled, as will be seen from the statement below which shows in a concise form how the situation has been met:—

[In millions of £.]

Outlay.	Budget Estimate, 1914-15.	Revised Estimate, 1914-15.	*Assets.*	Budget Estimate, 1914-15.	Revised Estimate, 1914-15.
(1) Capital outlay on—			(1) From balances	4·9	**2·6**
(*a*) Railways	12·0	**11·6**	(2) Imperial surplus or deficit of 1914-15.	1·3	***—2·7***
(*b*) Irrigation	1·2	**1·2**			
(*c*) Delhi	·7	**·4**	(3) Rupee borrowing	3·3	**10·6**
(2) Repayment of India Bonds, etc.	·7	**·6**	(4) Sterling borrowing	5·9	**10·9**
(3) Outlay from Provincial balances	3·2	**2·2**	(5) Unfunded debt	1·8	***—5·1***
(4) Local loans account, Imperial and Provincial	·1	**·1**	(6) Famine insurance allotment and minor items.	·7	***—·2***
Total	17·9	**16·1**	Total	17·9	**16·1**

37. Special reference is invited to items (3) and (4) under 'Assets,' which show that our total borrowings at home and in India have amounted to £12¼ million more than our budget provided for. This completely covers the shortage of funds which we had to meet, and leaves us, for the time being, as I show directly, with very strong cash balances.

In England, the Secretary of State has raised £7 million by India bills in lieu of obtaining about £4½ million by a permanent issue of stock as provided for in the Budget; and has increased by over £2½ million the borrowings through companies which he originally contemplated. In India, besides raising our five-crore loan before the war broke out, we have taken advantage of a spontaneous offer by His Highness the Maharaja Scindia to place 50 lakhs (£⅓ million) at our disposal, and for the rest of our borrowings, namely £7 million, have fallen back upon the Gold Standard Reserve, in which we now hold a large and otherwise unemployed sum of

money through the sale of reverse bills and telegraphic transfers, to which I have already referred. Our advances from this source at one time reached a maximum of £8 million. Subsequently £1 million has been paid back, and a further repayment could have been made had we only the requirements of the current year in view.

33. In any case, however, we have many reasons, in conditions like the present to maintain our balances at a high level. Our resources have to be widely dispersed in order to keep treasuries and savings banks well supplied with funds, so as to meet the claims of depositors or demands for encashment of currency notes, without delay or embarrassment. We desire, too, as I have already said, to avoid as far as possible curtailment of our deposits with the Presidency Banks in view of possible trade conditions. We have also been obliged to spend large sums on account of His Majesty's Government in connection with the expeditionary forces, and war requirements generally, sometime before the outlay could be recovered. Our aggregate cash balances in India and England are consequently now expected to stand at about £21 million on 31st March 1915, as against the budget anticipation of £17¼ million and the £16⅓ million which is usually accepted as our normal requirement. As I shall show later on, the excess of some £4¾ million over the latter sum will be fully required next year.

Budget Estimate of Revenue and Expenditure for 1915-16.

39. I now turn to the Budget figures for 1915-16. The general results are exhibited in the statement below:—

[In millions of £.]

	Revised, 1914-15.			Budget, 1915-16.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . . .	**49·927**	30·229	80·156	**49·655**	30·692	80·347
Expenditure . . .	**52·669**	32·446	85·115	**52·425**	31·755	84·180
Deficit (—) .	**—2·742**	—2·217	—4·959	**—2·770**	—1·063	—3·833

40. It will be seen that we estimate for a deficit on the Imperial side amounting to about £2·8 million, and that Local Governments are being permitted to draw on their balances to the extent of £1 million. The aggregate excess of expenditure over revenue on the combined Imperial and Provincial account is thus about £3·8 million, against £5 million in the current year. As already stated, our Budget is based on the assumption that war will continue throughout the year, and on this hypothesis, we must allow for a deterioration of revenue extending over twelve months, as compared with the eight months of war conditions experienced in the current year. On the other hand, we may fairly assume that there will be some recovery—of which indeed there are already signs—from the general dislocation of trade which was specially acute in the opening stages of the war; and also, in view of present agricultural prospects, that, apart from the war, the position under such heads as Land Revenue will be better in certain provinces than it has been in the present year. On the whole, therefore, so far as present indications point, we need not anticipate that the eventual general results will differ widely from those of 1914-15.

Revenue—Imperial.

41. Thus, we budget for a total Imperial revenue of about £49⅔ million against nearly £50 million taken in the Revised estimate for the current year. The principal further decreases occur under Customs, Salt and Railways, to which heads I shall presently refer more fully. Military receipts too will naturally suffer from the absence of so many troops. On the other hand, according to present prospects, we look, as already stated, for a large improvement under Land Revenue, of which the Imperial share will be £428,000. Under Opium, we expect a betterment of £242,000,

in the anticipation of somewhat improved prices. Our transactions will include a certain amount to be sold direct to the Government of the Straits Settlements, on terms which have now been settled by agreement for a series of years. There is no other important betterment under the principal heads of revenue, which have continued, up to a late stage of estimating, to show the effects of the depression resulting from the war. But some saving (£138,000) will be obtained on the Imperial side by the absence or diminution of certain assignments to Local Governments which appear in the Revised.

42. Under Salt, the advance payments of duty in anticipation of enhanced taxation, which have inflated the revenue of the current year as explained in paragraph 30, will tend to depress it in 1915-16, and we have taken the Budget at £315,000 less than the Revised estimate.

43. Under Customs, we anticipate a further decline of £377,000. We have, in this case, to allow definitely for the probable effect of the war on our import trade during 12 months in 1915-16, as against 8 months of the current year. The goods available for import into India are likely to be materially less than in the present year, owing to the stoppage of trade with enemy countries throughout 1915-16 and other restrictions, and also to the partial withdrawal of the industrial population in the other belligerent countries either to the fighting line or to the manufacture of stores and materiel for war purposes. The set-back to economic prosperity in India itself must also result in some reduction in the demand for imported commodities. On the other hand, the trade routes, it may be anticipated, will continue to be safe throughout 1915-16, and we may look for an appreciable revival of credit and confidence. We have not, therefore, considered it necessary to write down our revenue very heavily as compared with the Revised, except in the two special cases of silver and cotton manufactures. Under the former sub-head, we expect this year a revenue of close on £1 million. This is abnormally high even under peace conditions, and for the coming year we have assumed a yield of £$\frac{2}{3}$ million only. Under cotton manufactures, again, we have provided for a decrease of £100,000 owing to the congestion which has prevailed in the market for some time, which will probably be accentuated in present conditions. On the other hand, in the case of the export duty on rice, we have felt able to assume a substantial improvement (£170,000) on this year's revenue. The export of Indian rice to foreign countries has been specially low this year owing partly to the cessation of supplies to enemy countries, and also to the diversion of shipments to India proper in the early months of 1914-15 as a result of the shortage of crops in Northern India. With the present favourable agricultural outlook, we may expect that this latter factor will be no longer operative.

44. Under Railways, we take the net receipts at £260,000 less than the Revised estimate, and the gross receipts at £35·3 million, or £298,000 less. Here, too, the favourable agricultural outlook, and some degree of general trade recovery, may be expected to go far to counterbalance the loss of revenue in the extra four months during which war conditions are assumed to be operative.

Working expenses are taken at £19·9 million or £159,000 more than the Revised. As I have already explained, we could not in any case have hoped that the temporary decline of our railway revenue would be accompanied by a proportionate fall in the cost of carrying the reduced traffic. But apart from that, we have found it necessary to make considerable additional provision for the improvement of the equipment of the railway lines, which was represented to us to have fallen somewhat behindhand in recent years, and to have become a pressing requirement.

With the reduced traffic, the profits payable to companies will also be less and we have provided £197,000 less on this account, thus arriving at the net reduction given above.

Revenue—Provincial.

45. The aggregate Provincial revenue is estimated at £463,000 more than the Revised. Almost the whole of this improvement is contributed by the Provincial share—£379,000—of the increase under Land Revenue to which I have already referred. Apart from this, we cannot look, under continued war conditions, to any strong recovery from the position which the revenue returns for the later months of the present year have disclosed.

Expenditure—Imperial.

46. The total Imperial expenditure for 1915-16 is estimated at about £52·4 million, being £244,000 less than the Revised. Our chief economy occurs under the Military services where we are budgeting for a reduction of £582,000. I shall revert to this branch of expenditure in a separate section of my speech, and need only say here that in the present situation we have thought it incumbent upon us to postpone all military expenditure of an ordinary kind which is not immediately required. We shall be faced with some difficult and pressing problems under this head when the war is over, but the present is not the time and occasion when they can suitably be taken up. Apart from the Military charges, the circumstances of Imperial expenditure do not offer great scope for any drastic reduction of grants. We have, however, curtailed the provision for Imperial Civil Works by some £127,000. We also save automatically (to the extent of £272,000) by the recall of officers from leave. That of course implies an additional charge in India under salaries, but this is chiefly borne by the Provincial Governments. Against these economies, we have to provide an additional £520,000 to meet the interest charges on the borrowing programme which I shall shortly lay before Council; and Opium expenditure shows a considerable increase, arising from the necessity of supplementing our supply of 'Bengal opium,' which we obtain from the Gangetic valley, by special purchases in Malwa.

The relief from Famine expenditure in 1915-16, while it eases our Budget under one head, adds to it under another, as it requires us to make a larger provision under the Famine Insurance Grant for reduction or avoidance of debt.

Expenditure—Provincial.

47. We estimate this at £31,755,000, or £691,000 less than the Revised and £2,293,000 less than the current year's Budget. As Honourable Members are aware, the fluctuations in the scale of outlay of the Provincial Governments are at present largely dependent, under the conditions established by the special grants of recent years, on the extent to which it is found possible for them to draw upon their large accumulated balances. When this year's Budget was framed, we authorised such overdrawals to the extent of £3·2 million, which has come down in the Revised, as I have already explained, to £2·2 million. We propose in the current year to allow Local Governments to draw on their balances to the extent of about £1 million only.

In present financial circumstances we might *primâ facie* have been expected to require Local Governments not to draw on their balances next year at all, *i.e.*, to restrict their total expenditure to the revenue raised within the year. But as I have previously mentioned, Provincial revenues too are being affected by the war, and a restriction such as that suggested would have involved a drastic curtailment of normal standards of expenditure, besides arresting all further immediate development on education and sanitation, and interfering with the *quasi*-commitments into which Local Governments have entered in carrying out a programme of special expenditure on these objects which they had every reason to expect to be able to maintain. We find ourselves obliged therefore to recognise the practical need of some relief in this direction. The curtailment of total outlay which will still be necessary, and in regard to which we have received the most loyal co-operation from Local Governments, has resulted, as is natural, in a large reduction (£1,070,000) in the grants for expenditure on public works. Provision is made, however, for some additional outlay under Land Revenue, Police, and some other heads.

48. We expect that with this restricted programme the aggregate Provincial balances on the 31st March 1916 will amount to £6·3 million. Of this, £2·5 million may be taken as accruing from special grants, mainly non-recurring, which have been made by the Government of India, mostly for expenditure in connection with education and sanitation.

General Results—Imperial and Provincial.

49. Reverting to the table in paragraph 39, we estimate that in 1915-16 the total revenue, Imperial and Provincial, will be £80,347,000, and the total expenditure £84,180,000, resulting in an Imperial deficit of £2,770.000 and a Provincial deficit of £1,063,000, the latter to be met by drawing on the balances to the credit of Local Governments.

Ways and Means Estimate for 1915-16.

50. This brings me to the question of the financing of our requirements in the second year of war. I will first give the main figures in millions of pounds, and then explain what they imply :—

Outlay.			*Assets.*	
Imperial deficit		2·8	From balances	4·5
Provincial deficit		1·0	Rupee borrowing	3·0
Capital outlay—			Sterling borrowing	6·5
Railways	8·0		Famine Insurance and miscellaneous items	·4
Irrigation	1·1		Total	14·4
Delhi	·3			
		9·4		
Discharge of debt		1·0		
Unfunded debt		·2		
Total		14·4		
Add—Discharge of temporary debt raised in 1914-15		14·0	*Add*—Renewal of temporary debt raised in 1914-15	14·0
Grand total		28·4	Grand total	28·4

51. We have to find funds from which to meet the Imperial deficit of the coming year and the expenditure by Local Governments in excess of the revenue which they expect to raise in the same period. £1 million of debt, mainly in connection with the purchase of the Indian Midland Railway some years ago, is also due for discharge. By way of precaution, too, we are assuming the possibility of a withdrawal of £1 million more of savings banks deposits during the coming year. This counts as a liability against Unfunded Debt. We still get, however, as in normal years, some credits under this head, more particularly the substantial deposits annually paid into the State Provident funds, so that there is a considerable set-off to the withdrawals from the savings banks for which this estimate makes provision. There remains the head of Capital outlay, under which alone it is optional to us to curtail our commitments. We are very reluctant to do this in the case of Irrigation, and are accordingly providing the entire amount (£1,100,000) which our Public Works advisers consider they can spend. In the case of Railways, however, it is inevitable that some considerable reduction should be made, and in any case, even if funds had been available, it is unlikely that, in the present circumstances of manufacturing establishments at home, anything like the £12 million provided in the current year could again be spent. We have accordingly taken the next year's programme at £8 million. In considering the adequacy of this figure—and I regard it myself as the outside sum which it would be justifiable to provide under present conditions—it must also be remembered that, as stated in paragraph 44, a specially large provision has been made, on the revenue side, for closely connected expenditure on the equipment of our present lines. In the case of Delhi, we have made a very large reduction, confining the next year's grant, as I shall explain in a later section, to a working minimum.

52. The total of these liabilities comes to about £14½ million. In addition, as the statement shows, we have to include, as pending obligations requiring to be dealt with in connection with the coming year's financial programme, the discharge of the £7 million of India bills which the Secretary of State has raised in the current year, and the repayment of our loan of the same amount from the Gold Standard Reserve. Our total obligations are thus raised to some £28½ million.

53. The first of the resources on which we can draw as against these requirements is afforded by the large cash balances with which we shall close the current year. As I have already said, owing to the loans taken from the Gold Standard Reserve, we expect these to stand on 31st March next at about £21 million. Ordinarily we regard £16⅓ million as a sufficient amount to hold in our treasuries in India and at home at the close of a financial year; and we thus have about £4½ million which can be regarded as available towards meeting our liabilities generally and still leave a little margin over the normal closing balances. We shall also set aside from revenue, under

the Famine Insurance Grant head, close on half a million for reduction or avoidance of debt, thus raising our assets to about £5 million. Even so, we are left, however, with some £9½ million still to find, and have also the £14 million of temporary debt still to consider. The question now is, how is this shortage to be dealt with ?

No additional taxation.

54. The first method of adding to our resources which would naturally suggest itself—one, indeed, which we have very seriously considered—is to follow the lead of the mother country and impose special taxation; and I have no doubt that the majority of the members of this Council have been asking themselves for some time past what line we shall take on this question. Those who have followed my remarks on the revenue position will, however, have already had their anxiety relieved. We do not propose on this occasion to raise any money by increased taxation. We should not hesitate to do so to meet a deficiency in revenue which promised to be of a more or less abiding character. But the present circumstances are altogether peculiar. We know that, ordinarily, we can count on surpluses. India too has a very small unproductive debt; and, with trade conditions depressed, and the present abnormal rise in food prices in a large part of the country, we have come to the conclusion that we ought not to add to existing taxation unless it is absolutely necessary. We hold that this necessity has not yet arisen, since the deficits of the current and coming years are, as already stated, entirely the product of special and temporary circumstances; while, as regards ways and means, we see our way, in spite of these deficits, to financing all outlay immediately necessary. We have to bear in mind, too, in dealing with an essential point of policy like this, the possibility that an improvement of conditions, whether by the conclusion of peace or otherwise, may, after all, take place sooner than we are yet entitled to assume. When this occurs, we shall, I have no doubt, rapidly regain at any rate a large portion of the savings banks deposits which have been withdrawn from us, and may hope for improvement in other directions as well.

Borrowing programme for 1915-16.

55. I return, then—the taxation alternative being rejected—to the question of how we are to finance the needs of the coming year. In the first place, we propose to continue the loan of £7 million from the Gold Standard Reserve and leave it still outstanding on the 31st March 1916. As I have already said, the money we shall thus employ would otherwise lie inert and the proposed transaction makes no difference to our actual stock of gold or our freedom to use it in supporting exchange. It merely requires the transfer from the Gold Standard to the Paper Currency Reserve of a certain amount of the gold we should otherwise hold in the former, since the gold thus added to the Paper Currency Reserve will enable the transfer therefrom of a corresponding quantity of rupees in aid of our Treasury balances.

The Secretary of State also intends to renew in 1915-16 the £7 million of India bills which he has raised this year. This disposes of the temporary debt for the time being, but still leaves us the original £9½ million to find.

56. We propose to obtain £3 million (4½ crores) of this amount in India. We shall of course raise this by a public loan if, when the time comes, this is found to be feasible. We raised R5 crores in the current year and with great success; but that was before the war, and I fully recognise that the circumstances are now entirely different. I must therefore in any case reserve the consideration of the time and the best method of borrowing in India next year, including, that is, the terms to be offered and the character of the loan. I recognise too that the circumstances prevalent in July, when we usually float our loans, may prove to be so unpropitious that we may find it desirable to have recourse to other methods for raising either a part or the whole of this amount: for example, one alternative open to us might be to increase our borrowing from the Gold Standard Reserve.

57. In addition to the funds which we thus find in India, it is the Secretary of State's intention to raise £6½ million by fresh borrowing in England, either direct or through the agency of companies working State lines. I should add, however, as regards this, what I have already made clear as regards rupee borrowing, that this announcement is subject to the usual reservation that the amount may be varied later on if circumstances should render this advisable.

58. To sum up this examination of a complicated and difficult position, I may briefly state that we propose a reduced but still considerable Railway programme, a full standard of expenditure on Irrigation, and a minimum outlay on Delhi; while to meet our capital outlay and revenue deficits and our other various requirements, we contemplate renewing the temporary loans raised in the current year, and finding a further £9½ million by additional borrowings, whether permanent or temporary, in England or in India. We thus put ourselves in a position to finance all requirements with which, as far as we can at present see, we are likely to be confronted in the coming year, while at the same time providing for the maintenance of an adequate closing balance.

59. I have not taken into account in the above calculations the £4 million up to which the Secretary of State has permitted us to reduce the cash holdings of the Paper Currency Reserve. This money will be primarily held available for loans to banks for the encouragement of credit and trade, without reducing our Treasury balances beyond what is prudent, while if there is any remainder it ought to be treated as a special reserve against unforeseen contingencies. In a year in which there may be so many surprises, it is most desirable to have a reserve of this character.

Remarks on certain special heads.

60. I now furnish some supplementary information in regard to certain special and important heads.

A.—Military Services.

61. The table below shows the gross and net expenditure on Military Services for the coming year and the four years preceding :—

	Gross.					Net, *i.e.*, deducting receipts.
	Army.	Marine.	Military Works.	Special Defences.	Total.	All Military heads.
	£	£	£	£	£	£
1911-12 . . .	19,536,546	450,728	909,657	4,706	20,901,637	19,558,580
1912-13 . . .	19,576,526	479,928	887,379	9,267	20,953,100	19,565,466
1913-14 . . .	19,789,239	512,845	947,297	16,384	21,265,765	19,896,113
1914-15 (Budget) .	20,305,800	504,900	1,022,400	33,000	21,866,100	20,500,000
1914-15 (Revised) .	20,277,200	484,700	1,017,000	23,500	21,802,400	20,486,700
1915-16 (Budget) .	19,831,100	623,800	744,300	21,100	21,220,300	20,000,000

62. The net expenditure in the current year is expected to fall below the Budget provision framed in March last by £13,000 only, due to an anticipated decrease of £64,000 in expenditure, partly counterbalanced by a fall of £51,000 in receipts. The war has necessarily affected the Military estimates of the year in a very considerable degree. On the one hand it has led to some temporary savings in charges as a consequence of exchanges and re-arrangements of troops, of the partial suspension of the Arms Traffic operations in the Persian Gulf, and of the usual trooping service, and also with reference to diminished supply of stores from Europe. *Per contra*, extra expenditure had to be incurred for the protection of India and in connection with the internment of citizens of hostile countries; the prices of food supplies throughout the year show an increase; and the receipts from payment-issues of clothing, provisions, etc, have fallen below the normal standard.

63. For the coming year the net Military expenditure has been fixed at £20 million, or £487,000 lower than the Revised, and £500,000 less than the Budget provision of the present year. In consequence of the war, expenditure is being restricted to what is considered essential for the maintenance of efficiency and the protection of the country, while a further fall in receipts must be anticipated and has been taken into account. Provision has been made for a continuance of work

on certain Royal Indian Marine vessels now on order, for the improvement of the accommodation of Indian combatants and non-combatants, and for progress with the new cantonment of Delhi. A considerable amount of expenditure usually incurred on trooping and the prevention of gun running on our borders temporarily disappears. The trend of food prices, however, continues upward, and this has been provided for by a 5 per cent. increase on the Budget provision of 1914-15 on this account.

64. The figures given above do not include very considerable expenditure which is being undertaken on behalf of the Imperial Government, in the matter of the supply of munitions of war and other stores to the forces of the Empire engaged in active operations, since such outlay is made good to us by His Majesty's Government.

They do, however, include—and I desire to lay special emphasis on this fact—the sums which, under arrangements with His Majesty's Government, initiated by a Resolution brought forward in this Council last autumn, India contributes towards the cost of the war, that is the portion of the total expenditure incurred on the expeditionary forces despatched from this country which she would have had to defray had they remained in India under peace conditions. These arrangements, I may remind the Council, have received constitutional ratification by Resolutions passed in both Houses of Parliament. Your Excellency, speaking in this Council on the 8th September last, mentioned that, on a rough estimate, these arrangements would cost India about £1 million during the current year. That estimate, however, was framed with reference to the expeditionary force we originally sent to Europe. The scale and the directions in which troops from India have since been utilised for the operations which the armies of the King-Emperor are carrying on against his enemies in various parts of the world have since been greatly enlarged; and we now anticipate, though the complicated calculations involved are still subject to further examination, that India's contribution towards the cost of the troops she has furnished will amount to £1·9 million during the current year, and to £4·8 million in 1915-16, on the assumption, which has governed our estimates throughout, that the war will continue to the end of March 1916.

65. The figures just given do not, however, represent the full measure of India's offering towards the expenses of the war. The Indian Princes who have placed their Imperial Service Troops at our disposal in connection with the expeditionary forces are also bearing the normal charges which would fall upon them in peace time, only the additional or war charges being met by His Majesty's Government. Further, some of the Princes have also made generous pecuniary contributions towards the general cost of the war; and I may make special mention here of the fact that His Highness the Maharaja of Mysore, as indicated in Your Excellency's speech to this Council on the 8th September, has given ₹50 lakhs (£333,000) in this way, while His Highness the Nizam of Hyderabad has made a contribution of ₹60 lakhs (£400,000). Other similar contributions bring such aggregate donations to £768,000, of which we expect that £480,000 will be paid in the current year, and the balance in 1915-16. Though these loyal and spontaneous contributions are, in the first instance, paid in to us, we have no intention of deriving any benefit therefrom. They will be passed on to His Majesty's Government by an equivalent deduction in the charges we should otherwise have to make against them in connection with special war expenditure.

B.—Famine Relief.

66. Speaking at this time last year, I said that actual famine conditions in the United Provinces were then confined to four districts and that scarcity had been declared in seven others. To the scarcity districts two were subsequently added, but the afflicted area has fortunately been much less than we at one time feared, and, although the calamity has been a severe one, special measures were only found necessary in an area of about 20,000 square miles with a population of nearly 7½ millions.

The number on relief of all kinds reached a maximum of 219,000 at the end of May, but with the advent of the monsoon the number fell rapidly and operations were finally closed down in October. The March rains and a good monsoon helped matters, but, apart from this, distress was confined within comparatively narrow limits not only by the manner in which relief was distributed, by fodder concessions, by liberal *takavi*, and by the suspension and remission of revenue; but also, we are

told by Sir James Meston, by the remarkable capacity which the people themselves have shewn in facing their troubles without direct measures of famine relief. This he ascribes not merely to a succession of excellent seasons, but to a widespread confidence, based on experience, that Government will come to their aid when real necessity arises, and to a stronger power of resistance, due to something more than purely temporary causes, among nearly all classes of the people.

I need not refer to the affected areas in other parts of India, as nowhere was distress anything like so widespread or severe as in the United Provinces.

67. The Budget estimates for the current year provided for an outlay of £299,000 on famine relief, mainly in the United Provinces: the probable expenditure is still estimated at £290,000 of which £106,000 will be borne by Provincial revenues and the balance of £184,000 will fall on Imperial. Agricultural prospects in the areas which were affected by famine are now very satisfactory, and as the estimates for next year are as usual framed on the assumption of a normal monsoon, no outlay on relief is anticipated in that year apart from some small expenditure (about £7,000) in adjustment of this year's accounts.

68. I explained in paragraph 41 of my speech introducing the last Financial Statement that the amount available from the Famine Insurance Grant of £1 million for the reduction or avoidance of debt, after providing for an expenditure of £500,000 on protective works, varies with the actual outlay on famine relief in each year. The amount available for that purpose is estimated at £210,000 in the current year and £493,000 in the next, of which £15,000 and £328,000 respectively, will be charged in the Imperial section.

69. In paragraph 42 of the same speech, I referred to the system of Provincial famine credits, and in a debate in this Council on the 7th March 1914, I promised that I would consider the possibility of modification in the application of this as between the various Provinces. I have fulfilled that promise and, as the result of the investigation made, we have put suggestions to the Local Governments for the simplification of what is now a very complicated system. After full consideration of their replies we shall decide on the precise action which may be necessary and refer the matter to the Secretary of State.

C.—Expenditure from Special Grants, Education, Medical, etc.

70. I went into this matter fully last year, and on the present occasion I need only give a table similar to that exhibited in paragraph 46 of my last year's speech :—

[In thousands of £]

	Total grants given (1911-12 to 1915-16).		Total expenditure incurred* (1911-12 to 1915-16).	Balance expected to be available on 1st April 1916.
	Recurring.	Non-recurring.	Non-recurring.	Non-recurring.
(1) Education	763	3,166	2,078	1,088
(2) Sanitation	245	1,723	1,112	611
(3) Medical relief, etc.	...	58	53	5
(4) Agriculture, etc.	...	177	166	11
(5) Grants for other special purposes	...	1,545	1,416	129
(6) Grants for general purposes—(Discretionary grants)	...	667	88	279
Total	1,008	7,336	5,213	2,123
Add—Savings on recurring grants during foregoing period (about)				395
Total amount expected to be available from special grants on the 1st April 1916				2,518

* Non-recurring figures only are given, as the recurring grants are treated as having been fully worked up to, any savings obtained from those grants in particular years being added at the foot of the statement.

The large balance still in hand is in considerable measure due to the fact that, as already stated, we have found it necessary, in existing circumstances, to debar Local Governments from drawing on their balances with us during the coming year beyond an aggregate amount of about £1 million.

D.—Financial position of the Provinces.

71. The new form of Statement D, to which I have already referred in paragraph 22, exhibits the general financial condition of the Provinces so fully that I need not make any explanatory comment. But it is desirable to say, with reference to the concluding remarks in paragraph 49 of my last year's speech, that we have decided, with the concurrence of the Local Governments concerned, to extend for the present the temporary financial settlements with Bengal, Bihar and Orissa and Assam, which would normally have been put on a permanent basis from the 1st April next. The reason is, of course, that the present time is not an opportune one for dealing with permanent settlements, which can be much more safely framed when the Government of India are in a normal financial condition.

72. We have, however, made a modification in the Burma settlement. I mentioned in paragraph 24 of my last year's speech that we had under consideration a proposal to make some addition to the resources of the Burma Government, and that we had in the meantime given them a non-recurring grant of £100,000. We have now decided, with the approval of the Secretary of State, to make this grant a recurring one, since it was found, on careful examination of the calculations upon which the existing financial settlement with Burma was concluded, that the method adopted was not so favourable to the Local Government as was the case in the permanent settlements concluded about the same time with other provinces. Our present grant is to afford redress in this respect and, as I indicated last year, implies no departure from the general principles upon which our permanent settlements with the provinces are based.

73. Lastly, I may say that we have effected an arrangement with the Punjab Government by which that Government hands over to us a crore of rupees from its very large balances (which have been obtained in great measure by non-recurring receipts from the sale of Government lands) in exchange for a fixed assignment of R3½ lakhs per annum. It will be realised, of course, that, as the Provincial balances form part of our general resources, this arrangement does not put an additional crore of rupees into our pockets, but merely saves us from being drawn on to that extent at some subsequent date.

E.—Railways (Capital Outlay).

74. The following statement gives the figures of railway capital expenditure on State-owned lines included within the Railway programme for the coming year and the four years preceding:—

	1911-12.	1912-13.	1913-14.	1914-15 (Revised).	1915-16 (Budget).
	£	£	£	£	£
Open lines including rolling stock .	5,058,890	7,134,200	10,303,100	10,372,700	6,947,000
Lines under construction—					
(*a*) Started in previous years .	2,403,853	2,658,700	1,871,500	1,259,700	719,700
(*b*) Started in current year .	452,150	103,200	131,700	...	333,300
	7,914,393	9,896,100	12,306,300	11,632,400	8,000,000

As I have already explained, the financial position necessarily requires a material curtailment of the Railway programme for 1915-16 as compared with the figures reached in the three preceding years. The greater part of the money included within the reduced programme is as usual devoted to the improvement of open lines and rolling stock.

75. As regards railways under construction, the Lower Ganges Bridge, which has for the past few years made so heavy a call upon our resources, will be opened

for traffic in a few days, and the outlay required for its final completion is very small. The Itarsi-Nagpur Railway is not yet completed, and we propose to spend £333,000 on this important project in order that, if possible, it may be opened to public traffic before the close of the next financial year. The only other important lines still under construction are the Burdwan-Howrah Chord, and the scheme for an overhead connection of the Great Indian Peninsula Railway in Bombay with its Harbour branch. These are both equivalent to works of open line improvement, since they are primarily designed for the relief of traffic on existing routes, and we propose to allot funds which will permit of a full rate of progress being maintained throughout the year.

We have also reserved funds for several new projects. Among these, the Vishnupur-Santragachi Chord is, like the Burdwan-Howrah, primarily intended for the relief of the existing lines between the coal-fields and Calcutta. The Dholka-Dhanduka Railway, again, is a project for which we made provision in our programme of the current year, but the commencement of which had for unavoidable reasons to be deferred. Provision is also made for the last section of the Southern Shan States Railway. The construction of this important pioneer line has been completed up to the plateau which divides the Inle valley from the rest of Burma, and it was at one time proposed that the construction of the remaining section, between the plateau and the Inle lake, should be temporarily deferred. It has been represented, however, that the further development of the Southern Shan States will be seriously hampered if this extension is not carried out at once, and the matter is now being taken up.

76. We are thus still able to provide for an appreciable amount of railway extension at the cost of Imperial funds; while the progress of construction by the agency of private enterprise and District Boards, though retarded by the war, will not by any means be stopped. Last year I informed the Council that in 1913-14 seven different undertakings, with an intended mileage of 292, had been sanctioned for construction, either under branch line terms or as feeder lines financed by District Boards in Madras, and, but for the war, there would doubtless, as I anticipated then, have been at least as good progress this year, for in its first six months branch line companies had been successfully floated for the construction of 172 miles of railway. Since then, in spite of the war, the capital required for three branch lines of railway, involving a mileage of 62, has been successfully raised, while several District Board projects are likely to mature in the near future.

77. The following figures show the capital outlay on all State lines up to the end of each year from 1911-12 and the net return obtained after deducting working expenses and interest charges:—

[In thousands of £]

	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
Capital at charge at end of each year	331,247	340,103	351,302	361,756	368,513
Net working profit from railways excluding interest charges.	15,813	17,272	17,616	15,102	14,774
Percentage of net working profit to capital outlay.	4·77	5·08	5·01	4·18	4·01
Net working profit from railways after meeting interest charges.	3,788	4,803	4,790	1,914	1,179
Percentage to capital outlay of net profits after meeting interest charges.	1·14	1·41	1·36	·53	·32

78. I have amplified the statement, as compared with the information given last year, so as to discriminate the profits obtained before meeting interest charges from those finally arrived at by the inclusion of the interest burden. I may explain too that the capital outlay now shown represents the amount which it has actually cost Government to acquire and construct its railways, including the portion of the liability in connection with purchased lines which remains to be discharged by the

operation of annuity and sinking fund payments. In the case of purchased railways, it has hitherto been the practice to show in the capital outlay the capital issued by the companies before purchase instead of the sums which it has cost Government to acquire the lines. The latter figures are what we are concerned with in working out the profit we obtain from State outlay, and I have substituted them for the capital issued by the companies in arriving at the figures shown in the foregoing table. I have also deferred to an occasional criticism of our figures by deducting debt which has been extinguished by the operation of annuity and sinking fund payments.

79. The final net profit on railways was estimated in the current year's budget at 1·14 per cent. of the capital on the method then adopted, and would have been 1·08 per cent. on the altered basis above explained. We now estimate it at only 0·53 per cent. this year and 0·32 next, the result, of course, of the falling off in net railway earnings which I have already dealt with in my review of the revenue estimates. It must, however, be remembered that, as I said last year, the foregoing figures include some capital outlay on protective railways, and also that, in accordance with the instructions of the Secretary of State, the interest charges include certain annuity and sinking fund payments which really go to the discharge of debt.

F.—Irrigation (Capital outlay).

80. The financial position of our great irrigation undertakings may be gathered from the following table, which brings up to date the information given in previous Financial Statements. The figures are in thousands of pounds.

Particulars.	1911-12.	1912-13.	1913-14.	1914-15. (Revised.)	1915-16. (Budget.)
1	2	3	4	5	6
Productive Works.					
Capital outlay to end of each year	31,929	33,347	34,645	35,823	36,931
Total receipts, including land revenue due to irrigation	3,662	4,065	4,338	4,339	4,397
Total expenses, including interest on debt	2,163	2,263	2,306	2,391	2,438
Net profit	1,499	1,802	2,032	1,948	1,959
Percentage of net profit to capital outlay	4·70	5·40	5·87	5·44	5·30
Protective Works.					
Capital outlay to end of each year	3,804	4,205	4,796	5,354	5,840
Total receipts, including land revenue due to irrigation	71	81	112	102	115
Total expenses, including interest on debt	165	188	213	239	257
Net loss	94	107	101	137	142
Percentage of net loss to capital outlay	2·48	2·55	2·10	2·56	2·43
Minor Works and Navigation.					
Direct receipts	247	266	263	273	283
Expenditure	836	842	914	1,021	949
Net loss	589	576	651	748	666

81. Taking productive, protective and minor works together, on the 31st March last, 61,864 miles of main and branch canals and distributaries had been constructed, which will, it is expected, be increased to 62,901 miles by the end of the current year. They commanded an area of more than 50 million acres of culturable land, of which more than 24 millions were irrigated in 1913-14, and an almost equal area during the current financial year.

82. In addition to the canals in use, there are 41 major projects which are either under construction, awaiting sanction, or being examined by the professional advisers of Government. Of these, 20 are productive and 21 protective; they are designed to irrigate about 9½ million acres at an aggregate cost exceeding £39 million.

83. No new works of any magnitude were sanctioned during the current year, but a large project of the protective class, known as the Gokak extension scheme, is awaiting the orders of the Secretary of State. This work is estimated to cost about £1·3 million It will irrigate some 132,000 acres in parts of the Belgaum and Bijapur districts of the Bombay Presidency, including Kolhapur and certain adjace t native states.

84. None of the large projects mentioned in paragraph 73 of my speech last year have progressed to a stage at which they can be put up for sanction. The Sukkur Barrage scheme is undergoing fresh investigation, and the questions involved in the Cauvery scheme are not yet fully settled. The Kistna, Sarda, and Sutlej Valley projects are being investigated by the Local Governments concerned, while the Koch dam scheme is now before the Government of India.

85. The Triple Canal project in the Punjab is the most important work at present under construction. Of the three canals constituting this great work, the Upper Chenab and Lower Bari Doab, although not yet finished, are actually in use and are serving considerable areas of *kharif* crops. Extensive *rabi* irrigation will not be possible until a sufficiency of water becomes available in the cold weather, through the opening of the Upper Jhelum canal, the third link in the chain. This canal was expected to be in operation last autumn, but owing to damage to the head works caused by an unfortunate flood which occurred early in 1914, it has been necessary to postpone its opening till October 1915.

Arrangements are now in progress for colonising the extensive waste land commanded by the Lower Bari Doab canal, and already some auction sales have taken place. In the North-West Frontier Province the Upper Swat canal was opened for irrigation in April 1914, and in the Central Provinces the Mahanadi canal has begun supply for irrigation. While numerous tank works exist in this province, this is the first canal system to be constructed there. Good progress has also been made on the Wainganga canal and the Tendula reservoir.

86. In the United Provinces, progress is being made with the construction of permanent head works for the Ganges canal at Hardwar, a measure which will greatly increase the efficiency of that system.

In the Bombay Deccan, two important protective works, the Pravara and Godavari canals, are nearing completion, while the Tribeni canal in Bihar and Orissa has been completed.

G.—Delhi expenditure.

87. The expenditure under the capital head, "51—Initial expenditure on the new Capital," during the current year will, according to present expectations, amount to £363,000 as compared with the budget provision of £666,000. As I said last year, the exact degree of progress to be expected in work immediately connected with the intended buildings could not be settled with any precision until the project estimate had been fully considered and eventually sanctioned. If the somewhat conjectural budget estimate has thus proved to be unduly sanguine, the cause is to be found mainly in the care which has been exercised in considering the various main projects before expenditure was incurred. Thus, in the case of the irrigation scheme for the new city, it was decided to consider several alternative methods of solving the problem before setting work in hand, and the allotment for irrigation works thus remained unutilised. Similarly, work cannot safely be commenced on the larger sanitary projects, such as water supply and sewerage, until the detailed plans and estimates have been prepared and sanctioned, and much of the time of the Delhi Committee's staff has been occupied in work of this kind. Moreover, in

view of the outbreak of war, we have welcomed a slower rate of progress than was originally contemplated. The lapse which has occurred is a useful addition to our general resources, and the avoidance of large commitments in the current year has facilitated the curtailment of the grant in 1915-16, to which I shall shortly refer.

88. As regards work done in the current year, the preliminary task of preparing the site by filling up depressions and removing excrescences has been vigorously prosecuted, and is now well on towards completion. Nearly a third of the works expenditure has been absorbed in this and other preliminary work. More than a third, again, was incurred on the purchase and erection of the machinery and plant required for construction purposes, and the scheme for the supply of electric power for these purposes is now completed and in operation, while some 28 miles of construction light railway have been laid. The Committee have also completed construction roads on the alignment of the future permanent roads. Work has been started on the foundations and basements of the Secretariat, and 6 houses for gazetted officers and over 200 for clerks are already in course of erection. There has also been some small expenditure on the acquisition of further land.

In the special circumstances of the present time, we have thought it desirable to reduce the grant for the coming year to a minimum. The Budget accordingly includes a provision of £267,000 only, which will suffice to carry on, in some degree, the work already in progress, and so obviate the deterioration of material and the disbanding of establishments.

89. In accordance with the undertaking given by the Government of India on previous occasions, a *pro formâ* account of expenditure on Delhi and the Delhi province is published in an appendix to the Financial Secretary's memorandum, together with a prefatory note explaining its scope and the relation between it and our regular accounts. As Honourable Members will see from the prefatory note, the form in which the Delhi accounts are now published was approved by the Comptroller General before its submission to the Secretary of State, who has telegraphed his general acceptance of the proposals put to him in this connection.

Cash Balances, Secretary of State's Council Drawings and Exchange.

90. I have dealt with these matters in a previous portion of my speech and need only remind the Council of the following facts:—

(1) We budgeted this year for an aggregate closing cash balance of £17¼ million, *viz.*, £12·4 million in India and £4·9 million in England. We now expect the total balance to be a little over £21 million, *viz.*, £13·8 million in India and £7·4 million in England.

(2) We estimate that the coming year will close with a practically normal cash balance of about £16½ million, *viz.*, about £12½ million in India and about £4 million in England.

(3) The Secretary of State's drawings were estimated in the current year's Budget at £20 million. For reasons already explained, it is now estimated that he will only have drawn £6·9* million against Treasury balances, while on the other hand we shall have sold £8·7 million of reverse bills and telegraphic transfers. The Secretary of State will, however, have obtained further resources amounting to £8·7 million by recovery from the War Office of sums expended in India on behalf of His Majesty's Government, besides a sum of £1·6 million by transfer from the Paper Currency Reserve in London and by gold remittances.

91. Postulating the continuance of war conditions, we estimate for the present that the amount up to which the Secretary of State will require to draw in the coming year will be £7·7 million only, since he will also be able to finance himself to the extent of £8·4 million by recoveries from the War Office of the character mentioned above, and the Home charges will be less than usual owing to the reduced Railway programme. As usual these announcements are merely provisional, and full discretion is retained to vary the amounts in such a manner as may be found advisable.

92. The average rate of exchange during the present year, calculated on the Secretary of State's drawings, is taken at 16·017 pence per rupee.

* Besides £600,000 on account of the Gold Standard Reserve—*vide* footnote to paragraph 10 *supra*.

Currency and Coinage.

93. I have dealt so fully with questions of exchange and currency in the earlier part of my speech that I need not now dwell on the subject at any length. I must, however, refer to the final Report of the Royal Commission on Indian Finance and Currency, which had not been received at the time I presented the Financial Statement of the current year. We have welcomed it as a pronouncement of the highest interest and value, and as affording ample vindication of the general policy of the Government of India in matters of finance and currency in past years. I do not enlarge on the particular recommendations made as they are still *sub judice*. Last summer we referred them for the opinions of Local Governments and representative commercial institutions, but meanwhile war broke out, and, acting upon a suggestion which some of the authorities consulted themselves put to us, we told them that the expression of their views might be deferred until normal conditions had been restored, so that both they and we might bring to bear upon these questions the valuable practical experience which would meanwhile have been gained from the present crisis. Provisionally, however, and without prejudice to the final settlement, we have adopted two of the Commission's proposals by replacing the silver previously held in the Gold Standard Reserve in India by gold, and by taking power to increase the fiduciary portion of the Paper Currency Reserve by £4 million.

We have also, as I have already said, given a public and unqualified assurance of our determination to support exchange by all the means in our power, thus adopting a third and very important recommendation with an emphasis that gives it definite finality.

94. Before the war broke out, we also had under our consideration certain questions connected with the paper currency, the two most important being, perhaps, first, a radical improvement in the form and design of our currency notes—a matter which we have now had to set aside for a time owing to the crisis; and, second, the adoption of measures to facilitate the encashment of notes and so extend their use. As regards this latter question, the war crisis, instead of being a stumbling block, appears to be likely to hasten a solution. In the period of general apprehension and incipient panic which immediately followed the outbreak of war, we regarded it as our foremost duty to secure the unimpeded encashment of our notes in every practicable way; and I think we have had our reward in the confidence which this policy has gained for us. It will be our object, as far as is feasible, to maintain, as a permanent measure, the facilities which we have granted in this period of emergency, and gradually to improve and develop our administrative arrangements with this end in view.

95. As regards gold, our existing stock has naturally, in the conditions of the present year, not been augmented to any material extent from outside, and the net private imports of sovereigns and half-sovereigns in the present year are, so far, but little in excess of £$\frac{3}{4}$ million. As, however, I have already stated, we now hold in India a large stock, namely £10 million, which we are in a position to use for the support of exchange, should circumstances at any time require this.

There has also of course been no further rupee coinage, and the growth of the Gold Standard Reserve has thus been limited to the amounts obtained as interest on the invested portion. On the other hand, the value of the securities held in the Reserve has been written down with reference to the market prices ruling at the beginning of January. The total amount at credit, in England and India combined, thus stood on the 31st January last at £25·6 million. The sale of sterling bills to the extent of about £8$\frac{3}{4}$ million has of course implied a transfer of that amount from the Reserve in England to that in India. But the Home balance, which amounts, at the present valuation, to about £13 million of gold and sterling securities, is still strong, and can be supplemented, if occasion requires, by the shipment of our gold from India. Meanwhile exchange has gone above par, and for several weeks past the demand for reverse drafts has wholly ceased.

Public Debt of India.

96. I should like, in drawing to the conclusion of this speech, to add a few words on the question of India's financial preparedness for war. I said at the outset that our system here has been subjected to a supreme test. If we win our way through

this crisis without drawing upon other resources and other credit than our own, our success will be due to the wise dispositions and the financial self-denial in the past which have built up for India a position of quite exceptional strength. With our restricted money markets here, we stand in need of exceptionally large liquid resources immediately available, and these we possess in our Treasury balances, our Paper Currency Reserve, and our Gold Standard Reserve, the combined efficiency of which is much enhanced by the elasticity of our system, under which, in periods of emergency, one reserve can freely assist another. But more important still is the credit which India has established, through good and evil times alike, by restricting her outlay to her available means, and so avoiding the accumulation of wasteful debt. Almost the whole of her debt today represents productive outlay, normally yielding a return far in excess of the interest which she has to pay on the amount borrowed; sufficient indeed to cover also the interest on the small margin of debt which can be described as unproductive, and still to leave an ample margin. She is thus entirely exempt from the dead weight of interest charges which hamper the finances of most Western countries, and will hamper them to a vastly increased extent by the time this war is finished.

97. The subject was discussed by my predecessor in introducing his Financial Statement for 1909-10. In present circumstances it possesses, I think, a special interest and relevance, and I have thought it worth while to bring up-to-date and present again the figures which he then gave :—

[In millions of £]

	Ordinary debt.	Productive Public Works Debt.			Grand total of debt (columns 1 and 4.)
		Railways.	Irrigation.	Total.	
	1	2	3	4	5
On 31st March—					
1888 . . .	73·0	59·2	17·3	76·5	149·5
1893 . . .	65·0	91·0	19·3	110·3	175·3
1898 . . .	70·0	106·0	21·7	127·7	197·7
1903 . . .	59·1	128·1	24·8	152·9	212·0
1908 . . .	37·4	177·7	29·9	207·6	245·0
1913 . . .	25·0	211·8	37·6	249·4	274·4
1914 . . .	12·8	222·0	39·4	261·4	274·2*

I may explain that for the purpose of these figures rupees have been uniformly converted into pounds sterling at the rate of ₹15 to the pound.†

98. It will be seen that out of a total debt of £274 million at the end of March last, only about £13 million represented ordinary or unproductive debt. The annual interest on the latter was £$\frac{3}{4}$ million only, and on the productive debt about £8$\frac{1}{2}$ million, so that our total interest charges amounted to some £9$\frac{1}{4}$ million. Railways and Irrigation works in the same year (1913-14) yielded us a return of £15$\frac{1}{4}$ million. Thus we still had left some £6 million of clear revenue from our great capital undertakings, after meeting the interest charges on our entire public debt.

99. These figures refer, of course, only to our permanent or funded debt. We have also a certain amount of unfunded debt and other floating liabilities representing savings banks deposits, deposits of State provident funds, balances of local bodies, and so forth, which amounted at the end of 1913-14, to about £33$\frac{1}{4}$ million. On the

* The reduction of total debt here shown is due to the discharge of debt (India bonds and debentures of purchased railways) exceeding the rupee loan of the year (£2 million). There was no issue of India stock in 1913-14.

† I mention this, as, in the Finance and Revenue Statistics of British India, the compiler, prior to the year 1899-1900, obtained his sterling figures by conversion of rupees at the rate of ₹10 to the pound, and thus introduced some superficially confusing results.

other hand, we had due to us on the same date a considerable body of loans given to agriculturists, local bodies, etc., which at the end of 1913-14 aggregated £12¾ million. Our indebtedness outside our regular loans was thus represented by a net figure of £20½ million—a sum which may properly be included in the reckoning, but does not materially affect the broad results already brought out.

100. This then represents the position which India's debt account had attained at the moment when normal conditions were interrupted by the outbreak of war. It is because this position was so strong that we can view without undue disquiet some considerable temporary addition to our debt. It has also to be remembered that, in so far as the borrowings of the war period have been necessitated by the repayment of our savings banks depositors, they represent a discharge of unfunded debt, and these two sets of transactions, namely the drain on the savings banks and the corresponding borrowings, leave our debt position unaltered.

101. While, however, our general position is one on which we may congratulate, I will not say ourselves, but at any rate our predecessors, we must be careful not to allow it to be impaired too readily even by an extraordinary emergency such as this. For this reason, we have had, reluctantly, to reduce to some extent the provision for material and social development on which, in a succession of prosperous years, India has grown accustomed to rely. We have not proposed additional taxation to make good deficits which, we hope, will prove to be temporary only. But, as I have already said, we should not hesitate to do so, if it appeared later that our permanent revenue position was seriously threatened. We must also remember that when the war is ended some of its effects may endure for some time to come, and in particular, that we shall then have to face the question of dealing with the temporary debt which we are now accumulating.

102. In conclusion, I must express my acknowledgments to the officers of the Finance Department for the way in which they have dealt, in their various spheres, with a set of new and difficult conditions, which in many cases have added materially to their work and anxieties. I am deeply indebted to their loyal and efficient aid.

W. S. MEYER.

Delhi, March 2nd, 1915.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1915

ACCOUNTS	1913-14
REVISED ESTIMATES	1914-15
BUDGET ESTIMATES	1915-16

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I.—General Statement of the Revenue, and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	21,391,575	21,674,100	21,243,000	22,049,600
Opium	„	1,624,878	1,839,100	1,556,100	1,798,000
Salt	„	3,445,305	3,436,900	3,697,800	3,382,100
Stamps	„	5,318,293	5,371,600	5,031,900	5,107,100
Excise	„	8,894,300	9,161,900	8,765,800	8,790,300
Customs	„	7,558,220	7,236,800	6,319,500	5,943,000
Other Heads	„	5,496,175	5,337,300	5,150,400	5,151,000
TOTAL PRINCIPAL HEADS	...	53,728,746	54,057,700	51,764,000	52,221,100
Interest	A	1,352,119	1,376,000	1,008,300	1,057,100
Posts and Telegraphs	„	3,598,519	3,732,400	3,519,300	3,579,200
Mint	„	339,841	249,300	57,900	71,300
Receipts by Civil Departments	„	1,408,286	1,437,300	1,483,500	1,534,000
Miscellaneous	„	772,579	731,700	759,600	583,200
Railways: Net Receipts	„	17,625,634	17,329,700	15,268,300	15,029,300
Irrigation	„	4,713,159	4,559,300	4,713,300	4,795,300
Other Public Works	„	298,640	239,400	266,400	256,100
Military Receipts	„	1,369,652	1,366,100	1,315,700	1,220,300
TOTAL REVENUE	...	85,207,175	85,079,400	80,156,300	80,346,900
DEFICIT	...	...	...	2,741,600	2,770,300
TOTAL	...	85,207,175	85,079,400	82,897,900	83,117,200

DELHI,
FINANCE DEPARTMENT,
March 2, 1915.

R. A. GAMBLE,
Comptroller General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,274,597	9,341,000	9,018,600	9,539,300
Interest	„	1,515,653	1,607,800	1,480,900	1,465,600
Posts and Telegraphs	„	3,272,934	3,350,000	3,290,100	3,294,400
Mint	„	132,630	104,300	139,400	102,000
Salaries and Expenses of Civil Departments	„	17,934,199	19,793,000	18,890,700	19,130,100
Miscellaneous Civil Charges	„	5,403,804	5,449,700	5,392,500	5,108,400
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	12,836,101	13,409,000	13,354,700	13,850,000
Irrigation	„	3,531,867	3,651,400	3,729,000	3,650,800
Other Public Works	„	7,010,038	7,456,500	7,016,200	5,818,900
Military Services	„	21,265,765	21,866,100	21,802,400	21,220,300
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	83,177,638	87,028,800	85,114,500	84,179,800
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	325,692	...	...	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*608,578*	*3,205,900*	*2,216,600*	*1,062,600*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	82,894,752	83,822,900	82,897,900	83,117,200
SURPLUS	...	2,312,423	1,256,500	...	...
TOTAL	...	85,207,175	85,079,400	82,897,900	83,117,200

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Surplus	C	2,312,423	1,256,500	...	...
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	"	34,667	816,600	2,367,500	6,533,300
Capital contributed by Native States towards construction of State Railways	"	200,000	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net)	"	4,717,480	888,100	2,044,000	320,600
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	118,200	7,274,600	2,727,200	2,008,700
Temporary Debt (net incurred)	"	...	...	14,333,300	...
Unfunded Debt (net incurred)	"	2,201,970	1,772,100	...	...
Deposits and Advances (net)	"	67,762	...	...	...
Loans and Advances by Imperial Government (net Repayments)	"	213,183	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	"	...	62,200	...	405,000
Loans to Local Boards for Railway Construction	"	7,124	7,400	7,400	7,700
Remittances (net)	"	...	...	...	306,200
Secretary of State's Bills drawn	"	29,050,827	20,000,000	6,900,000	7,700,000
TOTAL RECEIPTS	...	38,923,636	32,144,200	28,446,100	17,348,200
Opening Balance—India	...	19,293,131	14,707,131	15,608,253	13,795,853
England	...	(a) 9,789,634	(a) 7,457,034	(a) 8,157,732	(a) 7,391,032
TOTAL	...	68,006,401	54,308,365	52,212,085	38,535,085

(a) Include balances of the Gold Standard Reserve as shown

DELHI,
FINANCE DEPARTMENT,
March 2, 1915.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Deficit	C	...	...	2,741,600	2,770,300
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	„	1,282,262	1,200,000	1,166,400	1,100,000
Outlay on State Railways	„	10,483,200	10,472,700	10,666,600	7,620,200
Initial outlay on new Capital at Delhi	„	447,134	666,700	363,400	266,700
Outlay of Railway Companies (net)	„	2,002,303	1,865,600	1,450,700	701,200
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	14,214,899	14,205,000	13,647,100	9,688,100
Debt, Deposits and Advances—					
Unfunded Debt (net Discharged)	C	...	...	5,070,900	219,900
Deposits and Advances (net)	„	...	2,583,900	1,483,600	1,358,000
Loans and Advances by Imperial Government (net Advances)	„	...	238,700	4,700	153,700
Loans and Advances by Provincial Governments (net Advances)	„	797,937	...	131,600	...
Remittances (net)	„	176,823	6,200	1,088,500	...
Secretary of State's Bills paid	„	29,050,757	20,000,000	6,857,200	7,660,000
TOTAL DISBURSEMENTS	...	44,240,416	37,033,800	31,025,200	21,850,000
Closing Balance—India	...	15,608,253	12,378,031	13,795,853	12,542,853
England	...	(a) 8,157,732	(a) 4,896,534	(a) 7,391,032	(a) 4,142,232
TOTAL	...	68,006,401	54,308,365	52,212,085	38,535,085

in the notes on pages 42 and 43.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	21,391,575	...	21,391,575	10,384,600	11,006,975	21,243,000	...
II.—Opium	1,624,878	...	1,624,878	1,624,878	...	1,556,100	...
III.—Salt	3,445,305	...	3,445,305	3,445,305	...	3,697,300	...
IV.—Stamps	5,318,293	...	5,318,293	2,709,789	2,608,504	5,031,900	...
V.—Excise	8,894,300	...	8,894,300	2,498,883	6,395,417	8,765,800	...
VI.—Provincial Rates	180,210	...	180,210	398	179,812	37,100	...
VII.—Customs	7,558,220	...	7,558,220	7,558,220	...	6,319,500	...
VIII.—Assessed Taxes	1,950,250	...	1,950,250	1,068,870	881,380	2,008,700	...
IX.—Forest	2,229,872	...	2,229,872	74,196	2,155,676	2,005,200	...
X.—Registration	518,962	...	518,962	6,418	512,544	492,300	...
XI.—Tributes from Native States	616,881	...	616,881	616,881	...	607,100	...
Total	53,728,746	...	53,728,746	29,988,438	23,740,308	51,764,000	...
XII.—Interest	1,032,754	319,365	1,352,119	1,067,516	284,603	825,800	182,500
XIII.—Posts and Telegraphs	3,593,734	4,785	3,598,519	3,598,519	...	3,509,500	9,800
XV.—Mint	339,777	64	339,841	339,841	...	57,900	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	373,791	...	373,791	19,220	354,571	405,600	...
XVI.—Law and Justice { Jails	288,448	...	288,448	31,236	257,212	291,700	...
XVII.—Police	130,339	...	130,339	3,909	126,430	132,200	...
XVIII.—Ports and Pilotage	153,609	...	153,609	...	153,609	138,900	...
XIX.—Education	247,905	...	247,905	5,853	242,052	258,800	...
XX.—Medical	79,712	676	80,388	1,271	79,117	86,200	700
XXIA.—Agriculture	65,897	...	65,897	8,861	57,036	65,500	...
XXIB.—Scientific and Miscellaneous Departments	66,947	962	67,909	10,473	57,436	103,000	900
Total	1,406,648	1,638	1,408,286	80,823	1,327,463	1,481,900	1,600
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	144,941	61,869	206,810	150,968	55,842	158,100	49,200
XXIII.—Stationery and Printing	93,416	...	93,416	41,556	51,860	98,300	...
XXIV.—Exchange	119,741	...	119,741	119,741	...	71,700	...
XXV.—Miscellaneous	311,901	40,711	352,612	154,504	198,108	368,600	13,700
Total	669,999	102,580	772,579	466,769	305,810	696,700	62,900
Railways—							
XXVI.—State Railways (Gross Receipts)	37,545,905	230	37,546,135	37,537,881	8,254	35,639,300	400
Deduct :—Working Expenses	*19,572,745*	...	*19,572,745*	*19,566,778*	*5,967*	*19,754,700*	...
Surplus profits paid to Companies, etc.	*440,857*	...	*440,857*	*440,857*	...	*685,700*	...
Net Receipts	17,532,303	230	17,532,533	17,530,246	2,287	15,198,900	400
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	16,331	76,770	93,101	93,101	...	21,700	47,300
Total	17,548,634	77,000	17,625,634	17,623,347	2,287	15,220,600	47,700
Irrigation—							
XXIX.—Major Works: Direct Receipts	2,765,966	...	2,765,966	1,161,457	1,604,509	2,743,500	...
Portion of Land Revenue due to Irrigation	1,684,374	...	1,684,374	910,519	773,855	1,697,200	...
XXX.—Minor Works and Navigation	262,819	...	262,819	101,642	161,177	272,600	...
Total	4,713,159	...	4,713,159	2,173,618	2,539,541	4,713,300	...
Other Public Works—							
XXXI.—Civil Works	298,640	...	298,640	45,920	252,720	266,400	...
Military Receipts—							
XXXII.—Army: Effective	765,604	315,027	1,080,631	1,080,631	...	710,900	320,100
Non-Effective	86,716	36,159	122,875	122,875	...	85,500	35,000
	852,320	351,186	1,203,506	1,203,506	...	796,400	355,100
XXXIII.—Marine	89,542	...	89,542	89,542	...	89,200	...
XXXIV.—Military Works	76,604	...	76,604	76,604	...	75,000	...
Total	1,018,466	351,186	1,369,652	1,369,652	...	960,600	355,100
Transfers between Imperial and Provincial Revenues	...	...	...	−2,536,386	+2,536,386	...	...
TOTAL REVENUE	84,350,557	856,618	85,207,175	54,218,057	30,989,118	79,496,700	659,600

India, in India and in England.

ESTIMATE, 1914-1915.				BUDGET ESTIMATE, 1915-1916.						
Total.	Distribution of Total between		Increase + Decrease — as compared with Budget Estimate, 1914-1915.	India.	England.	Total.	Distribution of Total between		Increase + Decrease — of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease — of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
21,243,000	10,363,100	10,879,900	—431,100	22,049,600	...	**22,049,600**	10,790,700	11,258,900	+ 75,500	+ 806,600
1,556,100	1,556,100	...	—283,000	1,798,000	...	**1,798,000**	1,798,000	...	—41,100	+ 241,900
3,697,300	3,697,300	...	+ 260,400	3,382,100	...	**3,382,100**	3,382,100	...	—54,800	—315,200
5,031,900	2,564,500	2,467,400	—339,700	5,107,100	...	**5,107,100**	2,602,000	2,505,100	—264,500	+ 75,200
8,765,800	2,470,500	6,295,300	—396,100	8,790,300	...	**8,790, 00**	2,457,400	6,332,900	—371,600	+ 24,500
37,100	400	36,700	+ 6,800	30,600	...	**30,600**	200	30,400	+ 300	—6,500
6,319,500	6,319,500	...	—917,300	5,943,000	...	**5,943,000**	5,943,000	...	—1,293,800	—376,500
2,008,700	1,103,000	905,700	+ 128,300	1,878,300	...	**1,878,300**	1,036,400	841,900	—2,100	—130,400
2,005,200	55,800	1,949,400	—288,800	2,115,800	...	**2,115,800**	62,400	2,053,400	—178,200	+ 110,600
492,300	6,200	486,100	—31,000	513,000	...	**513,000**	6,100	506,900	—10,300	+ 20,700
607,100	607,100	...	—2,200	613,300	...	**613,300**	613,300	...	+ 4,000	+ 6,200
51,764,000	28,743,500	23,020,500	—2,293,700	52,221,100	...	**52,221,100**	28,691,600	23,529,500	—1,836,600	+ 457,100
1,008,300	700,500	307,800	—367,700	884,900	172,200	**1,057,100**	703,300	353,800	—318,900	+ 48,800
3,519,300	3,519,300	...	—213,100	3,498,900	80,300	**3,579,200**	3,579,200	...	—153,200	+ 59,900
57,900	57,900	...	—191,900	71,300	...	**71,300**	71,300	...	—178,500	+ 13,400
405,600	33,500	372,100	+ 8,900	408,900	...	**408,900**	34,200	374,700	+ 12,200	+ 3,300
291,700	29,000	262,700	+ 4,600	304,200	...	**304,200**	28,900	275,300	+ 17,100	+ 12,500
132,200	4,900	127,300	+ 5,100	140,100	...	**140,100**	4,900	135,200	+ 13,000	+ 7,900
138,900	...	138,900	—18,300	150,900	...	**150,900**	...	150,900	—6,300	+ 12,000
258,800	6,700	252,100	+ 2,700	274,900	...	**274,900**	6,400	268,500	+ 18,800	+ 16,100
86,900	1,300	85,600	+ 8,500	86,300	600	**86,900**	1,200	85,700	+ 8,500	...
65,500	7,700	57,800	—3,600	71,300	...	**71,300**	9,400	61,900	+ 2,200	+ 5,800
103,900	12,800	91,100	+ 38,300	95,900	900	**96,800**	10,900	85,900	+ 31,200	—7,100
1,483,500	95,900	1,387,600	+ 46,200	1,532,500	1,500	**1,534,000**	95,900	1,438,100	+ 96,700	+ 50,500
207,300	143,900	63,400	+ 2,700	155,800	34,000	**189,800**	127,400	62,400	—14,800	—17,500
98,300	45,200	53,100	+ 8,300	96,000	...	**96,000**	43,700	52,300	+ 6,000	—2,300
71,700	71,700	...	+ 5,000	...	...	...	...	...	—66,700	—71,700
382,300	207,200	175,100	+ 11,900	283,400	14,000	**297,400**	115,900	181,500	—78,000	—84,900
759,600	468,000	291,600	+ 27,900	535,200	48,000	**583,200**	287,000	296,200	—148,500	—176,400
35,639,700	35,632,100	7,600	—2,094,000	35,341,300	400	**35,341,700**	35,333,700	8,000	—2,392,000	—298,000
19,754,700	*19,747,600*	*7,100*	+ 72,000	*19,913,100*	...	***19,913,100***	*19,906,700*	*6,400*	—8,400	—158,400
685,700	*685,700*	...	—44,000	*488,200*	...	***488,200***	*488,200*	...	+ 153,500	+ 197,500
15,199,300	15,198,800	500	—2,066,000	14,940,000	400	**14,940,400**	14,938,800	1,600	—2,324,900	—258,900
69,000	69,000	...	+ 4,600	21,400	67,500	**88,900**	88,900	...	+ 24,500	+ 19,900
15,268,300	15,267,800	500	—2,061,400	14,961,400	67,900	**15,029,300**	15,027,700	1,600	—2,300,400	—239,000
2,743,500	1,116,900	1,626,600	+ 81,800	2,769,200	...	**2,769,200**	1,175,800	1,593,400	+ 107,500	+ 25,700
1,697,200	917,000	780,200	+ 75,800	1,742,900	...	**1,742,900**	940,500	802,400	+ 121,500	+ 45,700
272,600	102,900	169,700	—3,600	283,200	...	**283,200**	105,300	177,900	+ 7,000	+ 10,600
4,713,300	2,136,800	2,576,500	+ 154,000	4,795,300	...	**4,795,300**	2,221,600	2,573,700	+ 236,000	+ 82,000
266,400	45,000	221,400	+ 27,000	256,100	...	**256,100**	42,200	213,900	+ 16,700	—10,300
1,031,000	1,031,000	...	—38,500	662,900	301,700	**964, 00**	964,600	...	—104,900	—66,400
120,500	120,500	...	—2,300	83,500	27,000	**110,500**	110,500	...	—12,300	—10,000
1,151,500	1,151,500	...	—40,800	746,400	328,700	**1,075,100**	1,075,100	...	—117,200	—76,400
89,200	89,200	...	—4,600	68,200	...	**68,200**	68,200	...	—25,600	—21,000
75,000	75,000	...	—5,000	77,000	...	**77,000**	77,000	...	—3,000	+2,000
1,315,700	1,315,700	...	—50,400	891,600	328,700	**1,220,300**	1,220,300	...	—145,800	—95,400
...	— 2,423,000	+ 2,423,000	...	...	...	...	—2,285,100	+ 2,285,100	...	...
80,156,300	49,927,400	30,228,900	—4,923,100	79,648,300	698,600	**80,346,900**	49,655,000	30,691,900	—4,732,500	+ 190,600

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	336,142	...	**336,142**	226,418	109,724	377,900	...
2.—Assignments and Compensations	1,241,101	...	**1,241,101**	548,566	692,535	1,276,500	...
Charges in respect of Collection, *viz.* :—							
3.—Land Revenue	3,984,693	1,729	**3,986,422**	293,917	3,692,505	3,954,100	1,800
4.—Opium (including cost of Production)	1,011,696	744	**1,012,440**	1,012,440	...	657,200	600
5.—Salt (including cost of Production)	364,580	793	**365,373**	365,373	...	367,100	1,500
6.—Stamps	66,598	106,545	**173,143**	92,182	80,961	52,700	61,000
7.—Excise	437,433	96	**437,529**	140,082	297,447	462,200	400
9.—Customs	260,818	434	**261,252**	261,252	...	268,600	600
10.—Assessed Taxes	31,254	...	**31,254**	15,748	15,506	33,000	...
11.—Forest	1,169,575	4,913	**1,174,488**	76,146	1,098,342	1,237,100	4,700
12.—Registration	255,453	...	**255,453**	1,832	253,621	261,600	...
Total	9,159,343	115,254	**9,274,597**	3,033,956	6,240,641	8,948,000	70,600
Interest—							
13.—Interest on Debt	3,421,622	5,912,796	**9,334,418**	8,452,492	881,926	3,673,300	6,078,000
Deduct—Amounts chargeable to Railways†	*3,596,912*	*3,706,233*	***7,303,145***	*7,303,145*	...	*4,007,500*	*3,635,000*
„ Amounts chargeable to Irrigation	*1,186,167*	*18,679*	***1,304,840***	*642,590*	*662,256*	*1,246,000*	*120,600*
Remainder chargeable on Ordinary Debt	−1,361,457	2,087,884	**726,427**	506,757	219,670	−1,580,200	2,322,400
14.—Interest on other obligations	789,226	...	**789,226**	789,226	...	738,700	...
Total	−572,231	2,087,884	**1,515,653**	1,295,983	219,670	−841,500	2,322,400
15.—Posts and Telegraphs	3,005,156	267,828	**3,272,984**	3,272,984	...	3,070,300	219 800
17.—Mint	122,066	10,564	**132,630**	132,630	...	129,900	9,500
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,593,108	390,539	**1,983,647**	1,108,784	874,863	1,661,300	408,700
19.—Law and Justice { Courts	3,088,001	159	**3,088,160**	75,581	3,012,579	3,287,700	1,300
19.—Law and Justice { Jails	982,746	157	**982,903**	131,893	851,010	1,009,300	...
20.—Police	4,863,360	1,630	**4,864,990**	244,764	4,620,226	5,239,400	1,200
21.—Ports and Pilotage	204,426	200	**204,626**	200	204,426	212,600	100
22.—Education	3,166,426	10,383	**3,176,809**	120,566	3,056,243	3,214,500	10,300
23.—Ecclesiastical	127,564	148	**127,712**	127,712	...	127,300	400
24.—Medical	1,329,616	8,319	**1,337,935**	138,561	1,199,374	1,502,200	6,400
25.—Political	1,144,044	15,146	**1,159,190**	917,642	241,548	1,130,100	24,000
26A.—Agriculture	533,682	1,257	**534,939**	83,991	450,948	568,000	...
26B.—Scientific and Miscellaneous Departments	439,759	33,529	**473,288**	339,537	133,751	443,300	42,600
Total	17,472,732	461,467	**17,934,199**	3,289,231	14,644,968	18,395,700	495,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	209,531	11,189	**220,720**	220,720	...	205,800	10,600
28.—Civil Furlough and Absentee Allowances	1,280	450,326	**451,606**	451,606	...	900	355,000
29.—Superannuation Allowances and Pensions	1,344,840	2,054,647	**3,399,487**	2,167,018	1,232,469	1,443,900	2,058,000
30.—Stationery and Printing	624,448	105,308	**729,756**	214,117	515,639	647,800	118,100
32.—Miscellaneous	555,875	46,360	**602,235**	346,334	255,901	402,500	149,900
Total	2,735,974	2,667,830	**5,403,804**	3,399,795	2,004,009	2,700,900	2,691,600
Famine Relief and Insurance—							
33.—Famine Relief	157,511	...	**157,511**	157,511	...	289,900	...
34.—Construction of Protective Railways	7,835	741	**8,576**	8,576	...	−1,500	...
35.—Construction of Protective Irrigation Works	475,267	16,157	**491,424**	491,424	...	482,500	19,000
36.—Reduction or Avoidance of Debt	342,489	...	**342,489**	92,489	250,000	210,100	...
Total	983,102	16,898	**1,000,000**	750,000	250,000	981,000	19,000
Carried over	32,906,142	5,627,725	**38,533,867**	15,174,579	23,359,288	33,384,300	5,827,900

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.		
	India.	England.	Total.	India.	England.	Total.
†Included under the following heads :—	£	£	£	£	£	£
State Railways—Interest on Debt	3,357,109	3,530,733	**6,887,842**	3,991,100	3,553,800	**7,544,900**
Ditto —Interest chargeable against Companies on Advances	239,803	175,500	**415,303**	16,400	81,200	**97,600**
Total	3,596,912	3,706,233	**7,303,145**	4,007,500	3,635,000	**7,642,500**

Revenues of India, in India and in England.

ESTIMATE, 1914-1915.			Increase + Decrease − as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease − of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease − of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£		£	£	£
377,900	268,400	109,500	+68,300	316,500	...	**316,500**	220,400	96,100	+6,900	−61,400
1,276,500	560,400	716,100	+38,400	1,286,200	...	**1,286,200**	563,700	722,500	+48,100	+9,700
3,955,900	317,100	3,638,800	−227,300	4,121,400	1,300	**4,122,700**	342,100	3,780,600	−60,500	+166,800
657,800	657,800	...	−600	912,500	400	**912,900**	912,900	...	+254,500	+255,100
368,600	368,600	...	−22,700	390,100	900	**391,000**	391,000	...	−300	+22,400
113,700	42,000	71,700	−37,900	59,200	92,000	**151,200**	76,400	74,800	−400	+37,500
462,600	144,600	318,000	−23,900	491,900	200	**492,100**	153,600	338,500	+5,600	+29,500
269,200	269,200	...	−4,300	275,500	300	**275,800**	275,800	...	+2,300	+6,600
33,000	16,800	16,200	+500	34,500	...	**34,500**	17,500	17,000	+2,000	+1,500
1,241,800	82,900	1,158,900	−106,500	1,287,400	4,900	**1,292,300**	96,800	1,195,500	−56,000	+50,500
261,600	1,900	259,700	−6,400	264,100	...	**264,100**	1,800	262,300	−3,900	+2,500
9,018,600	2,729,700	6,288,900	−322,400	9,439,300	100,000	**9,539,300**	3,052,000	6,487,300	+198,300	+520,700
9,751,300	8,833,200	918,100	+175,900	3,926,700	6,092,300	**10,019,000**	9,086,900	932,100	+443,600	+267,700
7,642,500	*7,642,500*	...	−251,300	*4,099,400*	*3,676,800*	***7,776,200***	*7,776,200*	...	−385,000	−133,700
1,366,600	*684,600*	*682,000*	−1,800	*1,301,100*	*122,200*	***1,423,300***	*722,400*	*700,900*	−58,500	−56,700
742,200	506,100	236,100	−77,200	−1,473,800	2,293,300	**819,500**	588,300	231,200	+100	+77,300
738,700	738,700	...	−49,700	646,100	...	**646,100**	646,100	...	−142,300	−92,600
1,480,900	1,244,800	236,100	−126,900	−827,700	2,293,300	**1,465,600**	1,234,400	231,200	−142,200	−15,300
3,290,100	3,290,100	...	−59,900	3,127,300	167,100	**3,294,400**	3,294,400	...	−55,600	+4,300
139,400	139,400	...	+35,100	94,700	7,300	**102,000**	102,000	...	−2,300	−37,400
2,070,000	1,154,600	915,400	+68,800	1,654,300	365,200	**2,019,500**	1,105,400	914,100	+18,300	−50,500
3,289,000	87,000	3,202,000	+148,600	3,312,300	700	**3,313,000**	82,700	3,230,300	+172,600	+24,000
1,009,300	138,000	871,300	+49,700	1,009,800	...	**1,009,800**	136,400	873,400	+50,200	+500
5,240,600	265,300	4,975,300	+37,400	5,354,300	1,300	**5,355,600**	267,300	5,088,300	+152,400	+115,000
212,700	100	212,600	−7,200	215,500	100	**215,600**	100	215,500	−4,300	+2,900
3,224,800	126,700	3,098,100	−775,100	3,314,400	9,300	**3,323,700**	125,100	3,198,600	−676,200	+98,900
127,700	127,700	...	−7,200	135,000	300	**135,300**	135,300	...	+400	+7,600
1,508,600	159,500	1,349,100	−376,400	1,484,900	5,100	**1,490,000**	191,100	1,298,900	−395,000	−18,600
1,154,100	930,400	223,700	+9,900	1,150,700	5,600	**1,156,300**	928000	228,300	+12,100	+2,200
568,000	62,500	505,500	−35,600	606,900	...	**606,900**	68,200	538,700	+3,300	+38,900
485,900	345,400	140,500	−15,200	464,600	39,800	**504,400**	348,600	155,800	+3,300	+18,500
18,890,700	3,397,200	15,493,500	−902,300	18,702,700	427,400	**19,130,100**	3,388,200	15,741,900	−662,900	+239,400
216,400	216,400	...	−5,800	207,200	10,600	**217,800**	217,800	...	−4,400	+1,400
355,900	355,900	...	−77,400	900	83,000	**83,900**	83,900	...	−349,400	−272,000
3,501,900	2,174,000	1,327,900	+52,300	1,484,500	2,059,000	**3,543,500**	2,175,200	1,368,300	+93,900	+41,600
765,900	234,900	531,000	+46,200	650,600	103,100	**753,700**	211,600	542,100	+34,000	−12,200
552,400	329,400	223,000	−72,500	477,800	31,700	**509,500**	204,000	305,500	−115,400	−42,900
5,392,500	3,310,600	2,081,900	−57,200	2,821,000	2,287,400	**5,108,400**	2,892,500	2,215,900	−341,300	−284,100
289,900	183,800	106,100	−8,600	7,100	...	**7,100**	7,100	...	−291,400	−282,800
−1,500	−1,500	...	−1,600	...	...	...	...	...	−100	+1,500
501,500	501,500	...	+1,600	483,500	16,500	**500,000**	500,000	...	+100	−1,500
210,100	15,000	195,100	+8,600	492,900	...	**492,900**	328,200	164,700	+291,400	+282,800
1,000,000	698,800	301,200	...	983,500	16,500	**1,000,000**	835,300	164,700	...	...
39,212,200	14,810,600	24,401,600	−1,433,600	34,340,800	5,299,000	**39,639,800**	14,798,800	24,841,000	−1,006,000	+427,600

BUDGET ESTIMATE, 1915-1916.		
India.	England.	Total.
£	£	£
4,081,700	3,595,600	**7,677,300**
17,700	81,200	**98,900**
4,099,400	3,676,800	**7,776,200**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£		£	£	£
Brought forward	32,906,142	5,627,725	**38,533,867**	15,174,579	23,359,288	33,384,300	5,827,900
Railways—							
38.—State Railways: Interest on Debt	3,357,109	3,530,733	**6,887,842**	6,887,842	...	3,991,100	3,553,800
Annuities in purchase of Railways	...	3,379,581	**3,379,581**	3,379,581	...	...	3,357,700
Sinking Funds	...	191,707	**191,707**	191,707	...	...	199,400
Interest chargeable against Companies on Advances	239,803	175,500	**415,303**	415,303	...	16,400	81,200
Interest on Capital deposited by Companies	229,839	1,722,577	**1,952,416**	1,952,416	...	56,000	1,932,300
40.—Subsidised Companies: Land, etc.	55,146	...	**55,146**	52,587	2,559	114,000	...
41.—Miscellaneous Railway Expenditure	—45,894	...	**—45,894**	—45,863	—3	52,800	...
Total	3,836,003	9,000,098	**12,836,101**	12,833,573	2,528	4,230,300	9,124,400
Irrigation—							
42.—Major Works: Working Expenses	1,214,429	14	**1,214,443**	551,539	662,904	1,263,000	...
Interest on Debt	1,186,167	118,679	**1,304,846**	642,590	662,256	1,246,000	120,600
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	83,689	...	**83,689**	83,689	...	66,800	...
43.—Minor Works and Navigation	927,733	1,156	**928,889**	295,099	633,790	1,032,300	300
Total	3,412,018	119,849	**3,531,867**	1,572,917	1,958,950	3,608,100	120,900
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	1,414	...	**1,414**	...	1,414	1,600	...
45.—Civil Works	6,907,440	101,184	**7,008,624**	1,058,800	5,949,824	6,928,200	86,400
Total	6,908,854	101,184	**7,010,038**	1,058,800	5,951,238	6,929,800	86,400
Military Services—							
46.—Army: Effective	13,903,995	2,638,876	**16,542,871**	16,542,871	...	14,629,400	2,380,800
Non-Effective	730,495	2,515,873	**3,246,368**	3,246,368	...	736,000	2,531,000
	14,634,490	5,154,749	**19,789,239**	19,789,239	...	15,365,400	4,911,800
46A.—Marine	255,703	257,142	**512,845**	512,845	...	240,400	244,300
47.—Military Works	905,607	41,690	**947,297**	947,297	...	977,400	39,600
47A.—Special Defences (1902)	7,148	9,236	**16,384**	16,384	...	10,500	13,000
Total	15,802,948	5,462,817	**21,265,765**	21,265,765	...	16,593,700	5,208,700
Total Expenditure, Imperial and Provincial	62,865,965	20,311,673	**83,177,638**	51,905,634	31,272,004	64,746,200	20,368,300
Add—Portion of Allotments to Provincial Governments not spent by them in the year	325,692	...	**325,692**	...	325,692	...	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	*608,578*	...	***608,578***	...	*608,578*	*2,216,600*	...
Total Expenditure charged to Revenue	62,583,079	20,311,673	**82,894,752**	51,905,634	30,989,118	62,529,600	20,368,300

	ACCOUNTS, 1913-1914.		
	India.	England.	Total.
Capital Expenditure not charged to Revenue—	£	£	£
48.—*State Railways*	7,484,613	2,998,587	**10,483,200**
49.—*Irrigation Works*	1,223,467	58,795	**1,282,262**
Total	8,708,080	3,057,382	**11,765,462**
51.—Initial Expenditure on new Capital at Delhi	410,723	36,411	**447,134**

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1914-1915.			Increase + Decrease − as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease − of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease − of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£		£	£	£
39,212,200	14,810,600	24,401,600	−1,433,600	34,340,800	5,299,000	**39,639,800**	14,798,800	24,841,000	−1,006,000	+427,600
7,544,900	7,544,900	...	+497,400	4,081,700	3,595,600	**7,677,300**	7,677,300	...	+629,800	+132,400
3,357,700	3,357,700	...	...	...	3,357,700	**3,357,700**	3,357,700	...	...	...
199,400	199,400	...	...	...	208,100	**208,100**	208,100	...	+8,700	+8,700
97,600	97,600	...	−246,100	17,700	81,200	**98,900**	98,900	...	−244,800	+1,300
1,988,300	1,988,300	...	−199,300	66,900	2,186,400	**2,253,300**	2,253,300	...	+65,700	+265,000
114,000	113,300	700	−80,300	201,100	...	**201,100**	200,000	1,100	+6,800	+87,100
52,800	52,800	...	−26,000	53,600	...	**53,600**	53,600	...	−25,200	+800
13,354,700	13,354,000	700	−54,300	4,421,000	9,429,000	**13,850,000**	13,848,900	1,100	+441,000	+495,300
1,263,000	583,300	679,700	+13,600	1,271,400	...	**1,271,400**	596,100	675,300	+22,000	+8,400
1,366,600	684,600	682,000	+1,800	1,301,100	122,200	**1,423,300**	722,400	700,900	+58,500	+56,700
66,800	66,800	...	+33,300	...	...	...	...	...	−33,500	−66,800
1,032,600	319,800	712,800	+28,900	956,100	...	**956,100**	317,700	638,400	−47,600	−76,500
3,729,000	1,654,500	2,074,500	+77,600	3,528,600	122,200	**3,650,800**	1,636,200	2,014,600	−600	−78,200
1,600	...	1,600	−300	1,300	...	**1,300**	...	1,300	−600	−300
7,014,600	1,047,500	5,967,100	−440,000	5,796,400	21,200	**5,817,600**	921,100	4,896,500	−1,637,000	−1,197,000
7,016,200	1,047,500	5,968,700	−440,300	5,797,700	21,200	**5,818,900**	921,100	4,897,800	−1,637,600	−1,197,300
17,010,200	17,010,200	...	−30,100	14,794,500	1,754,500	**16,549,000**	16,549,000	...	−491,300	−461,200
3,267,000	3,267,000	...	+1,500	1,039,100	2,243,000	**3,282,100**	3,282,100	...	+16,600	+15,100
20,277,200	20,277,200	...	−28,600	15,833,600	3,997,500	**19,831,100**	19,831,100	...	−474,700	−446,100
484,700	484,700	...	−20,200	234,900	388,900	**623,800**	623,800	...	+118,900	+139,100
1,017,000	1,017,000	...	−5,400	726,300	18,000	**744,300**	744,300	...	−278,100	−272,700
23,500	23,500	...	−9,500	14,600	6,500	**21,100**	21,100	...	−11,900	−2,400
21,802,400	21,802,400	...	−63,700	16,809,400	4,410,900	**1,220,300**	21,220,300	...	−645,800	−582,100
85,114,500	52,669,000	32,445,500	−1,914,300	64,897,500	19,282,300	**84,179,800**	52,425,300	31,754,500	−2,849,000	−934,700
...	...	...	...	...	...	...	...	...	+ 2,143,300	+ 1,154,000
2,216,600	...	*2,216,600*	+989,300	*1,062,600*	...	*1,062,600*	...	*1,062,600*		
82,897,900	52,669,000	30,228,900	−925,000	63,834,900	19,282,300	**83,117,200**	52,425,300	30,691,900	−705,700	+219,300

REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
8,258,500	2,408,100	**10,666,600**	5,530,300	2,089,900	**7,620,200**
1,106,400	60,000	**1,166,400**	1,061,000	39,000	**1,100,000**
9,364,900	2,468,100	**11,833,000**	6,591,300	2,128,900	**8,720,200**
305,500	57,900	**363,400**	183,200	83,500	**266,700**

C.—Statement of Receipts and Disbursements of the

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	84,350,557	856,618	85,207,175	79,496,700	659,600	80,156,300	79,648,300	698,600	80,346,900
Excess of Revenue over Expenditure charged to Revenue			**2,312,423**			**-2,741,600**			**-2,770,300**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	34,667	...	34,667	2,367,500	...	2,367,500	6,533,300	...	6,533,300
Capital contributed by Native States towards construction of State Railways	200,000	...	200,000	66,700	...	66,700	66,700	...	66,700
Outlay of Railway Companies—									
Repayments	...	5,637	5,637	...	19,400	19,400	...	2,400	2,400
Net			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	164,692	4,832,788	4,997,480	486,700	1,557,300	2,044,000	320,600	1,996,600	2,317,200
Net			**4,717,480**			**2,044,000**		...	**320,600**
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	...		...	...		...	...	
Rupee Debt—									
Rupee Loan	2,000,000	...		3,333,300	...		3,000,000	...	
Total	2,000,000	...	2,000,000	3,333,300	...	3,333,300	3,000,000	...	3,000,000
Net			**118,209**			**2,727,200**			**2,008,700**
Temporary Debt Incurred—									
Temporary Loans	...	...	...	8,333,300	7,000,000	15,333,300	...	7,000,000	7,000,000
Net			**0**			**14,333,300**			**0**
Unfunded Debt—									
Deposits of Service Funds	89,541	...		88,300	...		88,700	...	
Savings Bank Deposits	8,783,483	...		7,466,300	...		6,414,200	...	
Total	8,873,024	...	8,873,024	7,554,600	...	7,554,600	6,502,900	...	6,502,900
Net			**2,201,970**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	325,692	...		...	...		...	...	
Appropriation for Reduction or Avoidance of Debt	342,489	...		210,100	...		492,900	...	
Deposits of Local Funds—									
District Funds	5,260,391	...		5,210,400	...		4,784,800	...	
Other Funds	1,343,956	...		1,285,900	...		1,229,900	...	
Deposits of Sinking Funds	43,825	...		59,000	...		61,000	...	
Gold Standard Reserve	4,286,872	9,728,845		3,000	10,021,200		...	8,238,600	
Departmental and Judicial Deposits—									
War transactions	...	...		1,587,000	...		81,000	...	
Other	30,205,951	...		30,413,100	...		29,934,200	...	
Advances	5,600,420	16,536		6,897,500	1,045,400		8,130,400	1,075,700	
Suspense Accounts	87,499	...		77,600	...		16,200	...	
Miscellaneous	37,632	56		110,200	...		2,900	...	
Total	47,534,727	9,745,437	57,280,164	45,853,800	11,066,600	56,920,400	45,333,300	9,314,300	54,647,600
Net			**67,762**			**0**			**0**
Carried over	143,157,667	15,440,480		147,492,600	20,302,900		141,405,100	19,011,900	

Government of India, in India and in England.

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	62,865,965	20,311,673	83,177,638	64,746,200	20,368,300	85,114,500	64,897,500	19,282,300	84,179,800
Add—Provincial Surpluses transferred to "Deposits"	325,692	...	325,692	...	...	...	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	*608,578*	...	*608,578*	*2,216,600*	...	*2,216,600*	*1,062,600*	...	*1,062,600*
Total	62,583,079	20,311,673	82,894,752	62,529,600	20,368,300	82,897,900	63,834,900	19,282,300	83,117,200
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	1,223,467	58,795	1,282,262	1,106,400	60,000	1,166,400	1,061,000	39,000	1,100,000
Outlay on State Railways	7,484,613	2,998,587	10,483,200	8,258,500	2,408,100	10,666,600	5,530,300	2,089,900	7,620,200
Initial expenditure on new Capital at Delhi	410,723	36,411	447,134	305,500	57,900	363,400	183,200	83,500	266,700
Outlay of Railway Companies—Payments for Capital Outlay	214,823	1,793,117	2,007,940	— 125,500	1,595,600	1,470,100	—425,900	1,129,500	703,600
Net			**2,002,303**			**1,450,700**			**701,200**
Raised and deposited by Railway Companies—Payments for Discharge of Debentures	...	280,000	280,000	...	...	...	...	1,996,600	1,996,600
Net			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Madras Railway Debentures	...	170,000		...	...		...	...	
Indian Midland do.	...	1,111,200		...	...		...	407,500	
India Bonds	...	500,000		...	500,000		...	500,000	
Rupee Debt—									
4½ p. c. Loans	1,293	...		...	...		...	...	
4 p. c. Loans	81,047	...		103,500	...		80,700	...	
3½ p. c. Loans	...	...		100	...		100	...	
3 p. c. Loans	18,253	...		2,500	...		2,900	...	
Provincial Debentures	7	...		...	...		—100	...	
Total	100,600	1,781,200	1,881,800	106,100	500,000	606,100	83,800	907,500	991,300
Net			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans	...	...	...	1,000,000	...	1,000,000	...	7,000,000	7,000,000
Net			**0**			**0**			**0**
Unfunded Debt—									
Special Loans	213	...		200	...		200	...	
Deposits of Service Funds	93,096	...		95,900	...		97,400	...	
Savings Bank Deposits	6,577,745	...		12,529,400	...		6,625,200	...	
Total	6,671,054	...	6,671,054	12,625,500	...	12,625,500	6,722,800	...	6,722,800
Net			**0**			**5,070,900**			**219,900**
Deposits and Advances—									
Balances of Provincial Allotments	608,578	...		2,216,600	...		1,062,600	...	
Deposits of Local Funds—									
District Funds	4,388,070	...		5,218,200	...		5,122,700	...	
Other Funds	1,268,258	...		1,393,200	...		1,213,900	...	
Deposits of Sinking Funds	...	...		...	...		...	...	
Gold Standard Reserve	4,300,000	10,709,547		25,200	10,038,000		...	8,238,500	
Departmental and Judicial Deposits—									
War transactions	...	...		44,700	...		1,168,000	...	
Other transactions	29,782,270	...		30,682,900	...		29,980,500	...	
Advances	5,893,406	76,878		7,062,300	1,086,500		8,137,100	1,072,000	
Suspense Accounts	163,303	...		36,400	...		10,300	...	
Exchange on Remittance Account (net)	190	...		...	...		...	...	
Miscellaneous	21,879	23		...	...		...	...	
Total	46,425,954	10,786,448	57,212,402	47,279,500	11,124,500	58,404,000	46,695,100	9,310,500	56,005,600
Net			**0**			**1,483,600**			**1,358,000**
Carried over	125,114,313	38,046,231		133,085,600	36,114,400		123,685,200	41,838,800	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	143,157,667	15,440,480		147,492,600	20,302,900		141,405,100	19,011,900	
Loans and Advances by Imperial Government	377,694	...	377,694	198,400	...	198,400	185,000	...	185,000
Net			**213,183**			**0**			**0**
Loans and Advances by Provincial Governments	1,082,099	...	1,082,099	1,448,200	...	1,448,200	1,576,200	...	1,576,200
Net			**0**			**0**			**405,000**
Loans to Local Boards for Railway Construction	7,124	...	7,124	7,400	...	7,400	7,700		7,700
Net			**7,124**			**7,400**			**7,700**
Remittances—									
Inland Money Orders	37,604,247	...		38,666,700	...		39,966,700	...	
Other Local Remittances	...	...		5,948,100	...		4,355,500	...	
Other Departmental Accounts	21,301	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Posts and Telegraphs	985,361	...		...	...		...	...	
Railways	14,486,413	...		11,087,000	...		12,461,500	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	...	...		6,030,100	...		1,265,700	...	
Marine	247,052	...		4,966,400	...		3,463,900	...	
Military Works	736,861	...		933,300	...		610,300	...	
Military	13,323,625	...		16,825,800	...		18,811,700	...	
Remittance Account between England and India—									
Gold remitted from India	...	...		...	604,800		...	...	
Transfers through Paper Currency Reserve	...	...		...	1,000,000		...	...	
War transactions	...	...		604,000	9,293,000		254,000	8,630,000	
Purchase of Silver	4,528,611	...		...	...		...	...	
Railway transactions	5,008,020	8,855		4,684,900	2,358,500		3,230,700	7,016,500	
Other „	989,722	2,150,713		981,800	1,238,500		1,130,300	1,269,000	
Total	77,931,213	2,159,568	80,090,781	90,728,100	14,494,800	105,222,900	85,550,300	16,915,500	102,465,800
Net			**0**			**0**			**306,200**
Secretary of State's Bills drawn	...	(b) 29,050,827	29,050,827	...	(e) 6,900,000	6,900,000	...	7,700,000	7,700,000
Total Receipts	222,555,797	46,650,875		239,874,700	41,697,700		228,724,300	43,627,400	
Opening Balance	19,293,131	(a) 9,789,634		15,608,253	(c) 8,157,732		13,795,853	(d) 7,391,032	
GRAND TOTAL	241,848,928	56,440,509		255,482,953	49,855,432		242,520,153	51,018,432	

(a) Of this amount £1,005,664 represents the funds of the Gold Standard Reserve.
(c) „ £24,962 „ „ „ „ „ „
(e) In addition to £600,000 for remittance of the Gold Standard Reserve.

Delhi,
Finance Department,
March 2, 1915.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England—*continued*

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	125,114,313	38,046,231		133,085,600	36,114,400		123,685,200	41,838,800	
Loans and Advances by Imperial Government . .	164,511	...	164,511	203,100	...	203,100	338,700	...	338,700
Net .			**0**			**4,700**			**153,700**
Loans and Advances by Provincial Governments .	1,880,036	...	1,880,036	1,579,800	...	1,579,800	1,171,200	...	1,171,200
Net .			**797,937**			**131,600**			**0**
Remittances—									
Inland Money Orders .	37,532,110	...		38,666,700	...		39,966,700	...	
Other Local Remittances	448,415	...		5,948,100	...		4,355,500	...	
Other Departmental Accounts . . .	12	...		...	...		...	...	
Net Payments into Civil Treasuries by—									
Posts and Telegraphs .	992,064	...		...	...		...	...	
Railways . . .	14,823,021	...		11,287,000	...		12,461,500	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	...	...		6,030,100	...		1,265,700	...	
Marine . . .	247,345	...		4,966,400	...		3,463,900	...	
Military Works .	737,178	...		933,300	...		610,300	...	
Military . . .	13,323,472	...		16,825,800	...		18,811,700	...	
Remittance Account between England and India—									
Gold remitted from India . . .	...	...		604,800	...		...	...	
Transfers through Paper Currency Reserve . .	...	...		1,000,000	...		...	...	
War transactions .	...	...		10,024,300	604,000		8,337,000	254,000	
Purchase of Silver .	555	4,528,056		...	...		...	...	
Railway transactions .	920	5,016,044		2,325,200	4,718,200		6,500,000	3,747,200	
Other „ .	1,925,966	692,446		1,349,700	1,027,800		1,349,900	1,036,200	
Total .	70,031,058	10,236,546	80,267,604	99,961,400	6,350,000	106,311,400	97,122,200	5,037,400	102,159,600
Net .			**176,823**			**1,088,500**			**0**
Secretary of State's Bills paid . .	(b) 29,050,757	...	29,050,757	(e) 6,857,200	...	6,857,200	7,660,000	...	7,660,000
Total Disbursements .	226,240,675	48,282,777		241,687,100	42,464,400		229,977,300	46,876,200	
Closing Balance .	15,608,253	(c) 8,157,732		13,795,853	(d) 7,391,032		12,542,853	(f) 4,142,232	
GRAND TOTAL .	241,848,928	56,440,509		255,482,953	49,855,432		242,520,153	51,018,432	

(b) In addition to £2,150,000 for remittance of the Gold Standard Reserve.
(d) Of this amount £8,162 represents the funds of the Gold Standard Reserve.
(f) „ £8,262 „ „ „ „

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1913-14.	Revised, 1914-15.	Budget, 1915-16.
Madras—	₹	₹	₹
Balance on April 1st	2,28,58,879	1,75,60,000	1,02,92,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	31,33,500	24,51,000	24,50,000
Other revenue	7,26,09,014	7,34,95,000	7,37,69,000
Total Expenditure	8,10,40,925	8,32,14,000	7,80,33,000
Closing Balance	1,75,60,468	1,02,92,000	84,78,000
Bombay—			
Balance on April 1st	1,79,75,519	1,95,34,000	1,51,78,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	20,78,000	20,88,000	20,80,000
Other revenue	7,71,51,211	7,24,21,000	7,28,20,000
Total Expenditure	7,76,70,645	7,88,65,000	7,71,77,000
Closing Balance	1,95,34,085	1,51,78,000	1,29,01,000
Bengal—			
Balance on April 1st	3,13,30,270	3,18,11,000	2,74,81,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	34,81,000	34,92,000	34,90,000
Other revenue	5,86,60,472	5,74,14,000	5,83,17,000
Total Expenditure	6,16,60,630	6,52,36,000	6,48,29,000
Closing Balance	3,18,11,112	2,74,81,000	2,44,59,000
United Provinces—			
Balance on April 1st	1,84,23,473	1,84,74,000	1,48,95,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	23,41,600	24,22,000	22,27,000
Other revenue	6,56,64,396	6,31,44,000	6,53,15,000
Total Expenditure	6,79,55,292	6,91,45,000	6,90,25,000
Closing Balance	1,84,74,177	1,48,95,000	1,34,12,000
Punjab—			
Balance on April 1st	1,77,84,102	70,92,000*	54,00,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	14,11,000	16,84,000	13,55,000
Other revenue	4,47,31,340	4,59,66,000	4,73,51,000
Total Expenditure	4,68,34,852	4,93,42,000	4,91,64,000
Closing Balance	1,70,91,590	54,00,000	49,42,000
Burma—			
Balance on April 1st	1,30,22,199	1,39,36,000	94,13,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	11,82,000	24,92,000	9,92,000
Other revenue	5,49,63,223	5,26,45,000	5,52,25,000
Total Expenditure	5,52,31,197	5,96,60,000	5,81,27,000
Closing Balance	1,39,36,225	94,13,000	75,03,000
Bihar and Orissa—			
Balance on April 1st	2,00,84,199	1,91,64,000	1,55,63,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,56,000	14,64,000	14,61,000
Other revenue	2,81,83,313	2,85,47,000	2,92,33,000
Total Expenditure	3,15,59,375	3,36,12,000	3,40,03,000
Closing Balance	1,91,64,137	1,55,63,000	1,22,54,000
Central Provinces—			
Balance on April 1st	90,72,033	1,09,53,000	95,00,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	10,34,000	9,14,000	9,14,000
Other revenue	2,96,49,750	2,82,94,000	2,83,73,000
Total Expenditure	2,88,02,505	3,06,61,000	2,98,52,000
Closing Balance	1,09,53,278	95,00,000	89,35,000
Assam—			
Balance on April 1st	78,06,494	55,89,000	31,43,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	5,12,500	4,48,000	4,48,000
Other revenue	1,55,94,449	1,40,53,000	1,45,59,000
Total Expenditure	1,83,24,640	1,69,47,000	1,61,07,000
Closing Balance	55,88,803	31,43,000	20,43,000
Total—			
Balance on April 1st	15,83,57,168	14,41,13,000	11,08,65,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,76,29,600	1,74,55,000	1,54,17,000
Other revenue	44,72,07,168	43,59,79,000	44,49,62,000
Total Expenditure	46,90,80,061	48,66,82,000	47,63,17,000
Closing Balance	15,41,13,875	11,08,65,000	9,49,27,000
Total (in sterling)—	£	£	£
Balance on April 1st	10,557,144	9,607,600	7,391,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,175,307	1,163,700	1,027,800
Other revenue	29,813,811	29,065,200	29,664,100
Total Expenditure	31,272,004	32,445,500	31,754,500
Closing Balance	10,274,258	7,391,000	6,328,400

* The figure here given for the opening Provincial balance of 1914-15 differs from that given for the closing Provincial balance of 1913-14 owing to the surrender by the Government of the Punjab of ₹1 crore of its balance in lieu of a recurring contribution from Imperial revenues of ₹3,50,000 per annum with effect from 1st April 1914.

R. A. GAMBLE, *Comptroller General.*

H. F. HOWARD, *Controller of Currency.*

J. B. BRUNYATE, *Secy. to the Govt. of India.*

DELHI,
FINANCE DEPARTMENT;
March 2, 1915.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED ESTIMATE, 1914-1915.		BUDGET ESTIMATE, 1915-1916.	
		EXPENDITURE.							
	Revenue.	Refunds and Assignments.	Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	21,391,575	770,094	3,986,422	16,635,059		16,491,200		17,117,900	
Opium	1,624,878	6,090	1,012,440	606,348		893,000		881,500	
Salt	3,445,305	262,804	365,373	2,817,128		3,059,600		2,728,200	
Stamps	5,318,293	58,173	173,143	5,086,977		4,856,100		4,896,400	
Excise	8,894,300	103,523	437,529	8,353,248		8,193,800		8,197,000	
Provincial Rates	180,210	522	...	179,688		36,800		30,400	
Customs	7,558,220	147,374	261,252	7,149,594		5,874,500		5,527,400	
Assessed Taxes	1,950,250	13,478	31,254	1,905,518		1,958,000		1,829,600	
Forest	2,229,872	9,936	1,174,488	1,045,448		753,200		816,500	
Registration	518,962	986	255,453	262,523		229,600		247,900	
Tributes	616,881	204,263	...	412,618		399,600		409,000	
TOTAL	53,728,746	1,577,243	7,697,354	44,454,149		42,745,400		42,681,800	
Total deduction from Revenue		9,274,597							
Expenditure Heads.									
Debt Services — Interest	1,352,119	1,515,653			163,534		472,600		408,500
Commercial Services — Posts and Telegraphs	3,598,519	3,272,984		325,535	"	229,200		284,800	
Railways	17,625,634	12,836,101		4,789,533		1,913,600		1,179,300	
Irrigation	4,713,159	3,531,867		1,181,292		984,300		1,144,500	
Other Public Works — Civil Works, etc.	298,640	7,010,038			6,711,398		6,749,800		5,562,800
Mint	339,841	132,630		207,211			81,500		30,700
Civil Departments — Civil Departments	1,408,286	17,934,199			16,525,913		17,407,200		17,596,100
Miscellaneous Civil Services — Superannuation	206,810	3,399,487			3,192,677		3,294,600		3,353,700
Exchange	119,741	...		119,741		71,700			
Miscellaneous	352,612	602,235			249,623		170,100		212,100
Other heads	93,416	1,402,052			1,308,666		1,239,900		959,400
Famine Relief and Insurance — Famine Relief	...	157,511			157,511		289,900		7,100
Other heads	...	842,489			842,489		710,100		992,900
Military Services — Army — Effective	1,080,631	16,542,871			15,462,240		15,979,200		15,584,400
Army — Non-effective	122,875	3,246,368			3,123,493		3,146,500		3,171,600
Marine	89,542	512,845			423,303		395,500		555,600
Military works	76,604	947,297			870,693		942,000		667,300
Special Defences (1902)	...	16,384			16,384		23,500		21,100
TOTAL	85,207,175	83,177,638		2,029,537			4,958,200		3,832,900
Provincial Adjustment — Surplus		...							
Deficit		282,886		282,886		2,216,600		1,062,600	
TOTAL	85,207,175	82,894,752		2,312,423			2,741,600		2,770,300
Surplus				2,312,423					
Deficit							2,741,600		2,770,300
Capital Account — Railway and Irrigation Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways				34,667		2,367,500		6,533,300	
Capital contributed by Native States towards construction of State Railways				200,000		66,700		66,700	
Capital raised and deposited by Railway Companies (net)				4,717,480		2,044,000		320,600	
Outlay on Irrigation Works					1,282,262		1,166,400		1,100,000
Outlay on State Railways					10,483,200		10,666,600		7,620,200
Initial outlay on new Capital at Delhi					447,134		363,400		266,700
Outlay of Railway Companies (net)					2,002,303		1,450,700		701,200
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				118,200		2,727,200		2,008,700	
Temporary Debt (net)						14,333,300			
Unfunded Debt (net)				2,201,970			5,070,900		219,900
Loans and Advances by Imperial Government (net)				213,183			4,700		153,700
Loans and Advances by Provincial Governments (net)					797,937		131,600	405,000	
Loans to Local Boards for Railway Construction (net)				7,124		7,400		7,700	
Deposits and Advances (net)				67,762			1,483,600		1,358,000
Remittances (net)					176,823		1,088,500	306,200	
Secretary of State's Bills drawn				29,050,827		6,900,000		7,700,000	
Secretary of State's Bills paid					29,050,757		6,857,200		7,660,000
				38,923,636	44,240,416	28,446,100	31,025,200	17,348,200	21,850,000
Cash Balance — Opening Balance				29,082,765		23,765,985		21,186,885	
Closing Balance					23,765,985		21,186,885		16,685,085
TOTAL				68,006,401	68,006,401	52,212,085	52,212,085	38,535,085	38,535,085

R. A. GAMBLE,
Comptroller General.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 2, 1915.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Monday, the 8th March, 1915.

PRESENT:

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*, and 49 Members, of whom 42 were Additional Members.

FINANCIAL STATEMENT.

FIRST STAGE.

The Hon'ble Sir William Meyer:—"I beg to open the first stage of the discussion on the Financial Statement for 1915-16."

RESOLUTION *RE* REDUCTION OF RAILWAY ALLOTMENT AND INCREASE OF ALLOTMENT FOR EDUCATION AND SANITATION.

The Hon'ble Mr. Dadabhoy:—Sir, I beg to move the following resolution:—

'This Council recommends to the Governor General in Council that the allotment for Railways in the coming year be reduced by R50,00,000, and that the amount so freed be allotted to the Provincial Governments for the development of Education and Sanitation.'

"Sir, I should have been reluctant to suggest any change in the Budget Estimate for 1915-16 but for the conviction founded *inter alia* upon the authoritative pronouncements of Government that the claims of Education and Sanitation are paramount, and that there is almost an unlimited scope for the employment of funds, both public and private, for the promotion of Education and Sanitation. The most important pronouncement about the need of Education, and the pronouncement that Educated India treasures in her heart, is that of His Most Gracious Imperial Majesty the King-Emperor, made on 6th January, 1912. In the now celebrated Resolution of the Government of India in the Department of Education of 21st February, 1913, an appeal is made to the public for donations for the support of Education in which 'there is a wide field and a noble opportunity for the exercise on modern

lines of charity and benevolence.' The inference necessarily is that for an adequate progress the efforts of Government must be supplemented by those of private individuals, and that Government alone is unable to do all. In the whole discussion in this Council on my lamented friend Mr. Gokhale's Resolution of Free Primary Education and on his Education Bill, the one fact which was not challenged was that the question of the development of Education was one mainly of funds; in other words, without an unstinted supply of money assured, that adequate progress of the people in Education, about the necessity of which all are agreed, cannot be secured. In presenting the Financial Statement for 1912-13, Sir Guy Fleetwood Wilson referred to 'the growing demand for more schools and healthier homes.' In 1911-12, a large amount was spent by the provinces for the support of Education and Sanitation, and yet an Imperial reserve of £97,000 recurring and £433,000 non-recurring for Education alone was entered in the Budget for 1912-13. In the Revised Estimate for 1912-13, the bulk of the large Imperial surplus was distributed 'in grants to secure a steady progress in Education and Sanitation, an object which has the support of both official and non-official opinion,' and 2½ crores were alloted 'for non-recurring expenditure on Education' and 1½ crores 'for urban sanitation'. In the following year again, *i.e.*, 1913-14, according to the Hon'ble Finance Minister's explanation of the Budget Estimate, 'the Provinces anticipate that they will spend £3,203 more than in the current year, the great bulk of the increase being accounted for under Education, Sanitation and Public Works.' In all these years there was never any complaint that the grants had lapsed through the inability of the Provinces to spend them. It was last year, when the Revised Estimate for 1913-14 was presented by the Hon'ble Sir William Meyer, that there was just a reference in his exhaustive speech to 'the experience of the current year' to justify his scepticism about the ability of the Provinces 'to spend as much as they anticipate, and notably under Education and Medical.' In the absence of more complete data, it would be unfair to base any general conclusion on this experience about the spending capacity of the Provincial Governments. They were sanguine about their ability, and in the Budget Estimate for 1914-15 the Hon'ble Finance Minister, with a statesmanlike appreciation of the needs of the situation, made 'recurring grants of £60,000 for Education and £40,000 for Sanitation' in addition to a substantial non-recurring grant. Even then he was not satisfied, and he regretted his inability to go further in view of the other calls upon Imperial funds. He observed :—

'I need not say that it would have been a great satisfaction to the Government of India if financial conditions had permitted of a larger grant-in-aid of these primary objects of our policy. We fully recognize the necessity of adequate provision for the increase in expenditure which the great advance now being made in Education and Sanitation must inevitably entail. But Hon'ble Members will recognize, I think, that in a year like the present it is not practicable to go further than is now proposed as regards Imperial allotments.'

"Unless, Sir, there was a large scope for the utilization of more money in this direction, these observations lose point. We now have it, however, from the same high authority that provincial expenditure under Education and Sanitation and other Medical heads has been less by £1,090,000 in the current year as against the Budget provision. And we are not left to speculate about the causes. With characteristic fairness the Hon'ble Sir William Meyer has attributed the reduced expenditure, partially at least, to certain instructions issued by the Government of India. Certain other facts connected with provincial expenditure on Education which must be within the knowledge of this Government would prove the inaccuracy, and one might say the injustice, of the suggestion against the Provincial Governments. The Hon'ble Financial Secretary admits in his Memorandum that, 'in spite of the financial situation, most of the Provincial Governments have allotted larger funds from their ordinary provincial resources for the development of Education in various directions.' This does not indicate any slackness on the part of the Provinces to utilise the Imperial grants for Education. It is only fair to assume that any failure to employ the grants must have been due to unavoidable causes. In view of the Budget grants, the Provincial Governments try to put through their schemes as expeditiously as possible, but, as must be well known to all,

the execution of individual schemes is delayed beyond the expected time limit by unforeseen circumstances. The delay over land acquisition proceedings alone would account for much of the so-called inability of the Provincial Governments to spend the whole of the non-recurring grant within one year. Moreover, the settlement of the preliminaries involves a good deal of labour and time. Building sites have to be selected, maps and estimates have to be prepared, land has to be acquired, tenders have to be called and so on. All this means time. It thus happens that the Provincial Governments have to their credit a large amount of cash early in the year, the useful employment of which can only be undertaken towards the close of it. And if the supply is suddenly withdrawn in the following year, when the Provincial Government has, after laborious effort, got the machinery into action, the result must prove disastrous to progress, the blame for which cannot in fairness attach to the Provincial Government concerned. It is worse than useless to place funds at the disposal of the Provincial Governments for schemes which cannot be carried through forthwith, and then to cut off the supply at a time when they can be. The Hon'ble Sir William Meyer would seem to have realised the unfairness of the present arrangements himself, as he has referred in his introductory speech to the risk of interference 'with *quasi*-commitments into which Local Governments have entered in carrying out a programme of special expenditure on these objects which they had every reason to expect to be able to maintain.'

"It is true that the budgetted grant to the Provinces shows a slight advance upon the Revised Estimate for the current year (Rs. 4,79,80,000 against Rs. 4,64,71,000), but the unfortunate circumstance is that it is insufficient for any reasonably large progress, and that the large number of schemes that have been got ready within the year will be hung up indefinitely. And this must cause not only serious inconvenience but actual loss. Sir, even in the present Budget, overshadowed as it is by war, forty lakhs of rupees have been provided for the New Capital at Delhi, and the Hon'ble Finance Minister has rightly justified his position by the statement that the amount is just 'which will suffice to carry on in some degree the work already in progress, and so obviate the deterioration of material and the disbanding of establishments.' The same line of reasoning will satisfy the Council that a larger grant is necessary in 1915-16 for the support of Education. The risk of deterioration of building and other materials is, and the consequences of the disbanding of extra establishments like special land acquisition offices are, as great in this department as in any other. It is a poor consolation to the Provincial Governments that 'with this restricted programme the Provincial balances on the 31st March, 1916, will amount to £6·3 million,' and 'of this, £2·5 million may be taken as accruing from special grants, mainly non-recurring, which have been made by the Government of India, mostly for expenditure in connection with Education and Sanitation.' The application of the closing balances of the coming year is uncertain, and it is by no means unlikely that unforeseen factors will come into play to thwart the anticipations of the Hon'ble Finance Minister. The fairly large balances at the end of the current year can only be drawn upon up to a certain limit, namely, one million pounds sterling. I must admit my recommendation is not founded upon any accurate knowledge of the schemes that are ready and that will be starved without the additional grant; but I feel sure the number is large, and a reference to the Education Department will doubtless elicit the fact that I do not exaggerate the necessities of the situation. There is under the circumstances no just cause for the apprehension that if the Budget provision for Education and Sanitation be increased by fifty lakhs, the money would remain idle. That provision for Education alone is less than that made about this time last year by £676,200.

"Sir, the next year's provision for Medical expenditure is less than the Budget provision of the current year by £395,000, and is less than the Revised Estimate for the current year by £18,600. The deputation to military duty out of India of a large number of medical men undoubtedly explains a great deal of this diminished expenditure, but this is not the whole explanation. A heavy reduction in the allotment for Sanitation has much to do with it.

From the Hon'ble Financial Secretary's Memorandum we find that a non-recurring grant of only 15·15 lakhs has been made in aid of Sanitation and Medical expenditure out of the Imperial revenues as against 106·88 lakhs in 1913-14 and 41·36 lakhs in 1914-15, leaving an unspent balance of ₹95,11,000. This cannot be satisfactory. What is even a grant of 15 lakhs to the whole of India? How many schemes of sanitary improvement could it finance? It is not correct to suggest that that is all that the Provinces can usefully spend next year. With our knowledge of the urgent needs of the local bodies and of sanitary improvement in both urban and rural areas, we can confidently assert that there is just at the present moment in India an almost unlimited scope for the profitable employment of funds. It is money alone which is wanting, and not field for its employment. The insanitary conditions of India, Sir, are notorious; and what with malaria, plague, cholera, small-pox, tuberculosis and other diseases, the mortality among the general population is abnormally high. According to the Statistical Abstract relating to British India, out of a registered population of 238,688,119 so many as 7,639,544 died in 1911 from all causes, or a mean death-rate of 32·01 per mille of population. During the decade 1902-1911, the rate oscillated between 30·91 and 38·21. Of this the mortality from fevers alone was between 17·63 and 23·96 per mille. The average rate improved, it is true, to 29·71 in 1912 and to 28·72 in 1913, and that from fevers to 16·49 in 1912 and to 16·71 in 1913. Still the rates are very high. As pointed out last year by Dr. C. V. Drysdale before the Royal Colonial Institute, in his masterly survey of 'The British Empire and Birth-rate,' it is India with the highest birth-rate which pulls down the average of increase in population in the whole Empire. In Australasia the average death-rate is 10 per mille of population. As it is, even with a phenomenal birth-rate of 38·59 per mille of registered population, the net addition to population in British India was not more than 6·58 per mille in 1911, and 'only 4·3 per mille per decade over the whole period from 1861 to 1911.' During the last decade the number of towns and villages also dwindled from 730,753 in 1901 to 722,495 in 1911. Sir, I belong to a city which is now in the terrible grip of the most virulent epidemic of plague that we have ever seen, and the people there are dying by the hundreds every day. And can it be that the conditions of life cannot be made healthier and more agreeable at Nagpur by opening out congested areas and adopting other methods of scientific sanitation? And what is true of Nagpur is true, with variations in degree only, of all urban and rural areas in India. Yet, how many Municipalities and District Councils have got the means to undertake a reasonably comprehensive programme of scientific sanitation? With funds forthcoming, what cannot be done to clear jungle, to fill up tanks, to improve the water supply, to provide a proper system of drainage, and to open out congested areas? And schemes of sanitation cannot be wanting. This question of special non-recurring grants for sanitation has been to the fore now for about five years, and it would be a wonder if a fair number of schemes be not ready by this time. The Department of Education, which has the oversight of sanitary matters, will be able to enlighten us on this point; but *primâ facie* it appears unconvincing that within three years we have reached a point in sanitary improvement when we cannot profitably employ in 1915-16 more than a seventh part of our actual expenditure to end of 1913-14, ₹15,15,000 against ₹1,06,88,000. No, Hon'ble Members may be sure that an increased non-recurring grant of fifty lakhs of rupees for the support of Education and Sanitation will be usefully spent in the provinces in the coming year, and the fear of any portion of it lapsing at the end of it is groundless. It is furthermore necessary, as the foregoing statement of facts will show, that the additional grant should be made. The only relevant question that remains to be discussed in this connection relates to the source from which the money is to be found.

"Sir, an examination of the Budget will show that, out of the total allotment of eight million pounds sterling for capital outlay on Railways, rupees fifty lakhs have been provided for the construction of new lines made up, according to the Hon'ble Financial Secretary's Momorandum, of four items,—₹15,00,000 for the Vishnupur-Santragachi Branch of the Bengal-Nagpur Railway, ₹5,00,000 for the Dholka-Dandhuka Branch of the Bombay, Baroda and Central India Railway, ₹15,00,000 for the Southern Shan States Railway,

and R15,00,000 for Reserve. The Hon'ble Sir William Meyer has explained his position with regard to these railways, but, with all his able advocacy, he will permit me to say that we remain unconvinced both about the urgency and the expediency of these allotments. It is a debatable point if a programme of new construction must always form a feature of our annual Budget. Either view has powerful advocates, but the one outstanding fact in the controversy is that the profitable nature of railway enterprise in India is doubtful. In good years there is a small margin of profit, but, as pointed out by Sir Guy Fleetwood Wilson two years ago, 'so recently as in 1908-09 our railway system was worked at a net loss to the State.' The policy of the Government of India was also laid down by him on that same occasion 'We must never allow our railways to become again, even temporarily, a net burden on the general taxpayer.' The Hon'ble Sir William Meyer, speaking last year on the Budget, shared his predecessor's poor opinion about the profit-earning capacity of our railways, and observed with his accustomed force and directness: 'Briefly, although the net profits we have derived from railways in recent years are *per se* imposing, they represent but a small margin of profit on the total capital involved, and that margin may be materially affected by trade or climatic circumstances beyond our control.' This year the net profit after meeting interest charges has reached almost the vanishing point (·53 per cent). These circumstances only demonstrate the fact I wish to emphasize that our annual programme of new lines must be reduced to a minimum, especially because every addition to the mileage entails an increasing financial responsibility of Government for renewal and improvement which must be discharged irrespective of the state of its finance. It is true that weighty considerations, economic and political, would justify railway expansion; but the point I wish to impress upon Hon'ble Members is that this expansion must in future proceed upon extremely cautious lines, and should only be financed by Government in a lean year when it is unavoidable. It does not matter much if new construction is financed out of our surpluses, provided no indication of a subsequent deficit is present at the time the allotments are made. But when it comes to the question of finding the funds for it in a year of heavy deficit and of uncertain future like the present, the policy is certainly open to criticism. And when added to this is the fact that the allotment for construction of new lines is made, if not directly at the sacrifice of, but simultaneously with a heavy curtailment of, the programme of Education and Sanitation, which are admittedly 'the primary objects' of British Indian Administration, the impolicy of the capital outlay becomes obvious.

"Sir, last year, *i.e.* in 1913-14, the capital expenditure on railways was over twelve million pounds sterling, and a trifle less than the scale of £12½ millions recommended by the Mackay Committee, and in the current year, a year of great anxiety to Government, when all expenditure has had to be cut down, it exceeds £11½ million pounds sterling. Now, after the two years' heavy outlay, would it be wrong to claim a respite, at least in the matter of the construction of new lines? And what is the special urgency about the three new lines for which the Hon'ble Finance Member is anxious to provide fifty lakhs of rupees next year? The Administration Report on Railways in India for 1913-14 shows that the Vishnupur-Santragachi Railway was not even surveyed in that year. It may be that it is 'primarily intended for the relief of the existing lines between the coal-fields and Calcutta,' but the point that demands examination is, how is its construction so very urgent that it cannot be delayed for one year? There is nothing to show that a year's delay would be injurious to the interests of the country as a whole. The Dholka-Dandhuka Railway, again, was surveyed as far back as 1906-07. The construction could be put off so long, although we have passed through very prosperous years in the interval. Last year provision was made for it, but it could not be taken in hand for unavoidable reasons. Supposing there is a further delay of a year, how will the consequences be serious? That the urgency cannot be great is evident from the fact that only five lakhs of rupees have been allotted for the construction of this line against an estimated expenditure of 23 lakhs. The Southern Shan States Railway, with a length of 105·04 miles, is being constructed in sections. On 31st March, 1914, it had

an open length of 23 miles, and the capital outlay amounted to R1,32,95,785. The remaining portion was sanctioned on 23rd July, 1909. In the current year there was a budget provision of 15 lakhs for further construction. Presumably, the amount has been defrayed in the way intended. Substantial progress has thus been made, but it is not expected that the whole length will be constructed at once And if that is not the case and if the construction be a question of years, it is not clear to my mind how 'the further development of the Southern Shan States will be seriously hampered if this extension is not carried out at once.' Sir, to the lay mind the representation about the urgency of the construction to which the Hon'ble Finance Member has referred, would appear to lack special merit. It should be borne in mind that there was an actual loss in 1913-14 on the open length of 23 miles for which we have statistics, the proportion of expenses to earnings being 118·31. If these lines disappear from our next year's Budget, the reserve of R15 lakhs becomes unnecessary; even with the construction provided for, a 43 per cent reserve must strike one as wholly unnecessary.

"Sir, on the strength of the above analysis of the needs of Educational and Sanitary progress, and in the absence of special urgency about the construction of the three new lines of railway for which provision is made in the Budget, I claim a re-adjustment, and suggest that the allotment for Railways should be reduced by the sum of rupees fifty lakhs set apart for fresh construction, and the amount thus freed should be employed for the support of Education and Sanitation. I take Education and Sanitation together, as with my insufficient knowledge of the schemes under each head which are ready, or are likely to be ready shortly, it is far better that I should plead for a further grant of fifty lakhs for both, leaving it to the Department of Education, with its fuller grasp of details, to apportion the amount between the two."

The Hon'ble Sir Gangadhar Chitnavis :—"Sir, any reasonable proposal, as that made by the Hon'ble Mr. Dadabhoy, for strengthening the resources of Local Governments and for increasing non-recurring Imperial grants for the promotion of Education and Sanitation, in addition to the liberal grants that have been made in recent years by Government, will have the cordial support of Hon'ble Members. It is for this that last year I invited the attention of the Hon'ble Finance Minister to the urgency of a liberal revision of the rules regarding 'lapsed grants' in the case of these and other necessary objects. But apart from the question of 'lapse,' I think the Hon'ble Mover has successfully indicated the way in which the budgetted grants for these important heads of expenditure can be substantially increased without prejudice either to the interests of the general administration or to the special interests of the Railway Department.

"Though I do think that the Budget as it is has been very carefully prepared and that there should be as little interference with it as possible in times like these, the question of the construction of new lines of railway should be examined and decided in view of the necessary recurring expenditure involved. It is not the initial outlay alone that has to be provided, but in addition the annual renewals of each line constructed have to be financed. The financial responsibility of Government is thus of a twofold nature, and this should impose on us extra caution in the matter of extension. And it follows that only unavoidable expenditure should be incurred in this direction, especially when the State is not flush of cash.

"I may also point out that the allotments to the Provinces that are now suggested may be utilised by this Government if the necessities of a sudden situation in the course of the war so demand. There will never be any unwillingness on the part of the Provincial Governments to come to the relief of this Government in such a contingency. This year they have responded promptly to the appeal of the Government of India, and there is no reason to suppose that they will not be equally reasonable in future.

"One suggestion more. The additional grants for Education and Sanitation should only be made to Local Governments that have got schemes ready, and are therefore in a position to employ the funds within the year to the best advantage.

"My friend the Hon'ble Mr. Dadabhoy has just alluded to the state of Nagpur at the present time, but I will not be doing my duty if I do not acknowledge the great help that has been given by the Local Government during the last ten years in improving the town, and if plague is at its worst this year, it is a mere accident and not in any way due to lack of help on the part of Government and, for the matter of that, of the Municipality. I must, however, say that there is still room for much sanitary improvement, and any increased grant made for the improvement of the town will be most thankfully received and most usefully spent."

The Hon'ble Mr. Clark:—"I think, Sir, it might be useful to the Council if I were to intervene at this juncture to say a few words about our proposals for expenditure on new railways, an expenditure which the Hon'ble Mr. Dadabhoy appears to regard with disapproval. I will leave the question of general policy to be dealt with by my Hon'ble Colleague the Finance Member, and will merely lay before the Council a statement of the main railway projects which we have in hand. I had hoped that my Hon'ble Colleague the President of the Railway Board, who knows, of course, much more about the details of these projects than I do, could have done this; but unfortunately he is indisposed. However, for the purpose of this debate, probably the general outlines will be sufficient. I can hardly hope perhaps to carry conviction to the Hon'ble Mr. Dadabhoy, who has told us that my Hon'ble friend the Finance Member has already failed to convince him; but it is clearly my duty to try. The Hon'ble Mr. Dadabhoy has told us that if more money is not available for education and sanitation, many schemes will be hung up and much money will be wasted. I do not know how far this is really applicable to education and sanitation, but I am quite sure that it is particularly applicable to railways. It will be most uneconomical to proceed, as the Hon'ble Member said we ought to proceed, by merely taking up new construction when there happened to be large surpluses, possibly spaced out by considerable periods, during which all the work previously done had been lying idle and all the capital employed had been lying idle. If the Hon'ble Member will forgive my saying so, he seems to regard the building of a new line of railway in something of the same way as buying a new hat, as an individual piece of extravagance which can or cannot be committed and which stands by itself. This is not at all the case with railways. A so-called new line is really an extension of or connection between existing lines. It is often required for the development of existing lines and means increased revenue and increased traffic.

"Of the actual construction which we have in hand at present there are six lines, which I may describe as minor projects. On these we propose to spend in all a sum of between 15 to 16 lakhs only. I need not describe these projects in detail, but I should like to point out that if we fail to incur this expenditure during 1915-16, not only shall we incur a very substantial loss of revenue due to failure to open these lines as early as we might, but hereafter when construction is resumed—for if we spend less than is proposed, work will have to be shut down,—we shall have to incur very considerable unnecessary expenditure in making good the damage caused by weather in the intervening period. Excluding the Hardinge Bridge, which has practically ceased to make a call upon our resources, we have in hand four projects, which I may describe as major projects. A word in regard to each of these is perhaps desirable. They are the four projects to which the Hon'ble Member referred. The Southern Shan States Railway has now been practically completed for the 72 miles between Thazi, the junction station, and Aungban, which is perhaps best described as a point on the map, for there is there neither a town nor a village worth considering so far as railway traffic is concerned. The Hon'ble Members from Burma, should they care to intervene in the debate, will be able to inform the Hon'ble proposer of the resolution of the state of feeling in Burma regarding the proposed further extension of this line. I was myself in Burma last year, and it was most strongly pressed on me by the commercial community there. I am not in a position

to say anything definite on the subject of the extension at present, but I am quite sure we should have to meet very strong criticism and opposition from Burma if we were to drop our proposal to reserve funds for this project. Two other large projects—the Burdwan Howrah Chord and the Bombay Harbour Branch extension—though they are new railways, fall within the category of works of open line improvement, since each of them is designed primarily for the relief of congestion on existing lines Each is both an important and an expensive project on which work is at present in full swing, and we cannot give less than the allotment proposed without involving eventually additional outlay on establishment and so forth, by prolonging the period of construction. The last of these four projects is the Itarsi-Nagpur Railway with a branch to the Pench Valley. This project has already been under construction for over six years, and the section from Nagpur to Amla is not yet half completed. No one, I am sure, knows better than the Hon'ble proposer himself, the strong feeling which exists in favour of this railway being completed in his Province, and I am sure that neither he nor Sir Gangadhar Chitnavis would wish to see this project discontinued. There remains a great deal of work to be done including heavy earth work and tunnelling, and the delay in tackling it has, as the Hon'ble proposer of the motion probably knows better than most of us, been a cause of very great complaint in the Central Provinces. After carefully considering the matter we have come to the conclusion that it is not worth while taking up this work piecemeal, but that the time has come when a special effort should be made to get this important line open for traffic throughout. As I have said, it has already been six years under construction and if we give money in driblets the total period of construction may well extend to ten years with a very large loss of revenue on the outlay already incurred. A full allotment is I hold extremely desirable, in fact almost a necessity, for this particular line.

"We have also proposed to reserve funds for three new projects. The first of these—the Vishnupur-Santragachi Chord—has not yet been sanctioned by the Secretary of State, but it has already been recognised as a most important work on account of the relief it will afford to the Bengal Nagpur Railway Company's main line between Calcutta and the coal-fields. If the commencement of work is postponed until the end of the war the opening of the line for traffic will be considerably delayed. Unless we begin work at once all hope that the Bengal Nagpur Railway will be relieved in this way before the next boom occurs must be abandoned.

"The Hon'ble Members from the Madras Presidency would I am sure strenuously support our action in reserving funds for the construction of the Panruti-Trichinopoly Railway. The delay in the commencement of work on this project has been a chronic cause of complaint for the best part of two decades. We hope, though the matter is still under discussion, to be able to commence work during the forthcoming year, and it would be very short-sighted if we were to fail to take advantage of this opportunity.

"The only other new project is a comparatively small one—the proposed Dholka-Dandhuka Railway. It is in fact but part of a larger project for a railway from Ranpur to Dholka of which the Ranpur-Dandhuka section will be constructed at the expense of the Bhavnagar Durbar. We are under agreement with His Highness and the Bombay, Baroda and Central India Railway Company to undertake the construction of the two sections simultaneously and unless we reserve funds for commencing work upon the British section we shall run the risk of failing to carry out our part.

"In the circumstances which I have explained, I submit to the Council that it would be most inexpedient to fail to proceed with the construction of these new railways. Apart from the particular considerations which I have placed before the Council, we have to look forward to a great revival of trade when the war is over. And there is the question of employment in India. At

the present moment it is very undesirable that we should do anything to lead to greater unemployment than must inevitably be the result of the war. That to my mind is a very strong additional reason for carrying out these works."

The Hon'ble Mr. Ghuznavi :—"Sir, I have great sympathy with the object which it is desired to obtain by the resolution moved by my friend, namely, that more money may be allotted to the Provincial Governments for the development of education and sanitation. While I yield to none in my desire that considerably more money should be spent by the State in furtherance of education and sanitation than is being done at present, while I consider the claims of Education and Sanitation to be most supreme, while I am of opinion that from the point of view of the people of this country nothing is more urgently required than education and sanitation, I am afraid I cannot see eye to eye with my friend in regard to the means which he proposes to be employed for the desired end in this instance. It is true that malaria is increasing in virulence year after year. Certain portions of Bengal which were, comparatively speaking, free from malaria have suffered untold miseries owing to this scourge this year, and although we are nearly coming to the end of the cold weather, malaria has not abated to any appreciable extent in the major portion of East Bengal.

"It is also true that education must be the future watchword of our country. Our greatest public man, who has just passed away, made that his principal cry, and I entirely share his view that primary education must gradually be made free and, if possible, compulsory. It was with intense satisfaction that we in Bengal hailed the gracious announcement made by His Excellency only last Saturday at the Convocation meeting that the Government of India were going to grant ten lakhs of rupees to the Calcutta University. Therefore I should personally welcome any proposition that may help us to obtain more and more money for the cause of Education.

"In this instance, however, my friend proposes that the allotment for Railways in the coming year be reduced by fifty lakhs. Now there is no question that of all our wants, the cause of Sanitation takes precedence, for it is only natural that the requirements of our health must receive our first consideration, and the increasing mortality due to malaria and other diseases due to insanitary conditions and particularly the want of pure drinking water must be checked. Next to this certainly comes the claim of Education of the right sort without the immediate and increasing development of which no hopes for the betterment of this country can be entertained But immediately after this, I am inclined to advocate the cause of Irrigation and Railways. Our country is very badly served as regards railways. In some parts, especially in Bengal, our great waterways are gradually being silted up. Communications in the interior are extremely difficult, and in a great many they do not exist at all. Besides, I am strongly of opinion that railways carry in their wake a kind of Education and Progress. My friend the Hon'ble Finance Minister has already effected a very large curtailment with regard to railway expenditure for the coming year while he has maintained the entire amount, namely, one million one hundred thousand pounds, which would be required for the purpose of irrigation as advised by the Public Works Department, he has cut down railway expenditure by one-third of the total amount. Where originally 12 millions were provided he has cut them down to 8 millions. Therefore, a further reduction seems hardly to be possible and is likely to impede the working of our railways

"I had the extreme pleasure the other day of witnessing the opening ceremony of the Hardinge Bridge on the Lower Ganges at Sara, which is one of the greatest Engineering works in the world. Although this has, during the past years, made a heavy call upon our resources, now that it is completed, it will no doubt give a great impetus to trade and commerce. Expenditure in irrigation and railways is never wasted, for railways and irrigation are always paying concerns. The total interest charges on our public debt amounted to

some 9½ millions in the year 1913-14, while our railways and irrigation works in the same year yielded us a return of 15½ millions. Thus, there was still left some 6 millions of clear revenue from these great undertakings. In spite of this, however, if my Hon'ble friend the Finance Minister had not already proposed to make a sober curtailment of 4 millions in our railway expenditure, I would have been very glad to have supported a motion in favour of a reduction in the allotment for railways. Under the careful and wise guidance of my friend who is unfortunately absent to-day, I mean the Hon'ble Sir Henry Burt, the present head of the Railway Board, I have no doubt that our railways have a great future before them. The cause of Education and Sanitation are certainly paramount, but I am sure there are other means and ways whereby more money can be found for the furtherance of these objects and I shall be glad to offer my humble suggestions on another occasion."

The Hon'ble Maharaja Manindra Chandra Nandi:—"Sir, I beg to support this resolution. I think the Hon'ble Mr. Dadabhoy has made out a good case for reducing the allotment for railways in the coming year by rupees fifty lakhs and allotting that amount to Provincial Governments for the development of Education and Sanitation. Sir, it is true that in view of the strain caused by the war the allotment for railways for the forthcoming year has been reduced from 12 to 8 millions sterling, but the fifty lakhs mentioned in the resolution is intended for the construction of new lines for which there is no urgency and which may well be put off for some time. The Government have always had at heart the promotion of Education and Sanitation and this principle may be well affirmed by the Government accepting the resolution moved by my Hon'ble friend."

The Hon'ble Mr. Marshall Reid:—"Sir, I entirely sympathise with my Hon'ble friend in his desire that education should progress, and I think he will also appreciate our desire that railway and other developments should also progress. I think we must realise that this Budget is essentially a business one, and there is no room for a great deal of sentiment in it; I think probably it is the most businesslike Budget which has ever been presented to this Council. We have all had to realise that the Finance Minister's first duty has been to cut down expenditure in every way. We have our own particular fancies in the way of education, railways and other things, but we have all had to realise that we must accept a great deal less than we asked for and a very great deal less than we could usually expect to get. In reducing the railway grant from 12 millions to 8 millions, I think my Hon'ble friend should realise that the reduction is one-third or 33 per cent. It has been pointed out frequently that 12 millions was some years ago considered to be the minimum on which the railways could work in this country. My own opinion is that we should require now, to go ahead properly and to maintain the railways, something more like 15 or 16 millions. Sir, seeing that we have agreed, and cheerfully agreed, to accept, under present conditions, a sum of 8 millions, which is about half of what we consider is the least we ought to have, I think that those whose particular province is education should be well pleased that they have got almost as large a grant as they have ever got before. In saying that we willingly accept this grant of 8 millions for railways, we realise that it is the very least by which existing railways can be kept up to any state of efficiency; and if railways do not progress, they must go back. It must also be borne in mind that there are a large number of unproductive works in this country now on which enormous sums have been spent. Until they become productive, the country is suffering severe losses, and I know well that the Finance Minister in framing this Budget has borne in mind the urgent necessity of bringing these works to a productive stage. I therefore regret that, though I sympathise entirely with my Hon'ble friend's desire that education should be well supported, I cannot support his proposition."

The Hon'ble Sir William Meyer:—"Sir, this resolution is, strictly speaking, not in order at all at this stage of the discussion, with reference to No. 3(2) of the Rules which regulate our discussion of the Financial Statement, since the resolution does not specifically refer to any additional grant to Local Governments proposed or mentioned in the Financial Statement or in the Secretary's supplementary Memorandum. Since, however, it is the only resolution that has been put forward at this first stage, we have decided not to challenge it; but this must not be taken as a precedent for the future.

"Well, the Hon'ble Mover made it clear that what he desires is to cut out the whole of the 50 lakhs allotted for new lines in the coming year's railway programme and present this amount to the Provinces for further expenditure on education and sanitation.

"Taking first the effect of this proposal on our modest railway programme, I need not add much to the remarks already made by the Hon'ble Commerce Member and by my friend, the Hon'ble Mr. Marshall Reid. I may once more remind the Council that our proposed railway programme of 8 millions means a very drastic curtailment, a curtailment of one-third, from what has been accepted for the last two years as the standard. It is also nearly two million less than the expenditure in 1912-13. A large amount of the railway outlay is spent in India and, as the Hon'ble Mr. Clark has brought out, further restriction of this amount beyond what we have already proposed will reduce the demand for labour which, in the present circumstances, it is desirable to interfere with as little as possible. To make a further curtailment by wiping out the whole of such small provision as we have been able to make for new lines, I regard as absolutely inadmissible. As I pointed out in my Budget speech last year, we must not regard the economic benefits to the community which the Government are able to bestow as confined to education and sanitation, valuable as these are.

"The people are equally benefited, as I then said, by an extension of railway facilities, which expands trade, mitigates the effects of famine or scarcity, and adds to the personal convenience of Indian travellers. I do not in the least undervalue the benefits of education and sanitation, which press so upon the mind of the Hon'ble Mover, but we must try and hold the scales more even than he proposes.

"Then, I would draw attention, as the Hon'ble Mr. Ghuznavi has already done, to what I said in paragraph 98 of my recent speech introducing the Financial Statement now under discussion. As I there brought out, our capital outlay on Railways and Irrigation is in ordinary circumstances of so productive a character that it yields us a very large balance—in 1913-14 it amounted to some six million pounds—to meet ordinary general charges after paying all the expenses connected with our debt. But for this source of income, I would ask the Hon'ble Mover to remember, the Government of India could not have embarked on the large schemes of education and sanitation that have distinguished recent years. I hold that it is a most short-sighted policy to discount future benefits of a similar character by an unnecessary curtailment of beneficient capital outlay. My Hon'ble friend, for a little gain to education and sanitation at present, is proposing to throw away possibilities of much larger gain in the future.

"The Hon'ble Mover also quoted some remarks of mine as to the small percentage of profits on railways. I do not withdraw a word of what I said in those remarks. It is my duty to look at both sides of every case, and I pointed out that although our profits are large—millions of pounds—they are small as compared with the capital charges outstanding, which will soon amount to about 368 million pounds. That shows, as I have always said, the necessity for caution,—that is, to be quite sure that works will be productive—or as sure as we can be—before we start upon them. But because, in the abnormal circumstances of the present year, the percentage of profit on railways taken to the whole sum outstanding is only ·53 per cent after meeting interest charges, and because in 1915-16 we estimate it only at ·32 per cent, the

Hon'ble Member treats these as despicable quantities. He took these figures from the table in paragraph 77 of my recent Budget speech. I would like to draw his attention to the figures which immediately precede them. He will see that, even on these small percentages, the net profit on railways, after meeting all working and interest charges, is expected to be £1,914,000 in 1914-15, and £1,179,000 in 1915-1916. These despicable figures (as the Hon'ble Mover seems to hold them) come together to over 3 million pounds. Without those 3 million pounds my Hon'ble friend would have had to face the necessity of fresh taxes. It is the railway profit, of which he is scornful, which has stood between the country and increased taxation.

"I now come to the effect of the resolution on education and sanitation outlay. What the Hon'ble Mover desires is to expand the million pounds, by which we propose to allow the Local Governments to exceed their current revenues in 1915-16, by another ½ million pounds. The financial effect of this proposal would be not merely to add to our Imperial revenue deficit, but to diminish our cash balances and to increase *pro tanto* the amount of next year's borrowings on account of the unproductive debt, the productive borrowing being decreased in like proportion. From a financial point of view this is a most unsound proposal. As I indicated in the concluding part of my recent Budget speech, our present wholly satisfactory financial position has been built up by the wise caution of our predecessors, and although the circumstances now existing have justified us, for this year and the next, in having recourse to unproductive borrowing rather than increased taxation, I am not prepared to add to such borrowing more than is necessary. Nor is there any reason for overriding this general proposition in order to buttress expenditure on education and sanitation.

"The Hon'ble Mover spoke as if the financial position in the coming year was such as to involve disastrous stoppage of educational and sanitary projects and what not. I will just give a few figures to rebut that. Taking the total outlay on education and sanitation financed from grants given by the Government of India, including the expenditure connected therewith under the Civil Works head—in 1913-14, the aggregate expenditure amounts to 257 lakhs; in 1914-15 (according to the Revised Estimate) to 280 lakhs; in 1915-16 (according to the Budget) to 224 lakhs, to which we must now add 10 lakhs on account of the grant to hostels recently announced by His Excellency the Viceroy. Well, there is a diminished outlay no doubt in 1915-16 as compared with 1914-15; but it is not nearly as much as the diminished outlay on railways. Moreover, these figures take only the special grants into account. If we look at the total Provincial expenditure on education, what do we find? The Budget provision for 1915-16 is £3,198,000 actually £100,000 more than the Revised Estimate for 1914-15 and a little more, too, than the actuals of 1913-1914—£3,056,000. Under 'Medical' again, we have for 1913-1914 (in round figures) £1,200,000; for 1914-1915 (Revised Estimate) £1,349,000; for 1915-1916 £1,299,000—a little falling off, but not much. To be quite fair I must admit that the large falling off in the Civil Works grants to which I referred in my Budget speech will probably to some extent affect Education and Sanitation buildings. But taking all the figures together, the diminished outlay under these two great heads of expenditure is trifling compared to the reduced provision that has been made under Railways; and with this war upon us and the possibility of its continuing for a long period, we cannot undertake to keep outlay on Education and Sanitation fully up to the specially high standard attained in 1914-1915 and 1913-1914. We do not go back on our previous policy. We must, however, move somewhat more slowly: there must be a little stoppage of the speed here, as under other heads. I cannot therefore accept the resolution before the Council. My Hon'ble friend the Mover must not however be discouraged: when my Hon'ble Colleague, the Member for Commerce and Industry, next lays proposals before me for new railways in the Central Provinces, it will be my duty to bear in mind that the elected Members from those Provinces do not want those railways."

The Hon'ble Mr. Abbott:—"Sir, I beg to oppose any reduction in the construction of railways in India or Burma."

The Hon'ble Mr. Dadabhoy:—"Sir, I wish to express my gratitude to my non-official colleagues for the support they have given to my resolution. As I expected, from official quarters I have not received the same measure of support. Nor did I anticipate it. My Hon'ble friend Mr. Marshall Reid has rightly pointed to the most businesslike Budget presented by the Hon'ble the Finance Minister. Nobody disputes the excellence of the Budget, and I shall have another opportunity in common with the other Hon'ble Members, at the proper time, to pay my tribute of admiration and gratitude for the generally very well-intentioned Budget which has been framed. But the only issue before the Council, and a very important issue it is, is entirely different; and I regret to say that I still remain unconvinced after what I have heard from the Hon'ble the Finance Minister and my friend the Hon'ble Mr. Clark. It is a mistake to suppose that non-official members of this Council do not attach importance to the expansion of the railway programme. That is not the point at all. I have been in this Council for several years; I have made it clear in this Council and outside this Council that the railway programme should be supported; but the point which claims our attention at this particular juncture is the propriety, the wisdom, the expediency of allocating a large sum of money for it in a lean year when a heavy deficit is expected. I share the view which the representative of the Bombay Chamber of Commerce entertains, in common with some other members, as regards the general utility of the Railway programme. But the question is, are we justified, are we entitled to use the tax-payers' money in the further expansion of railway programme in a year of deficit? I say, Sir, that strategic railways, railways that are required for political purposes, are absolutely necessary, and must be constructed at all cost, even when our finances do not permit of it; I go further and say that protective railways, railways that are required for the mitigation of famine and find suitable employment in times of famine, should also be undertaken. But, Sir, protective railways as well as strategic railways and railways that are required for political purposes stand on an entirely different footing from railways that are required for the promotion of trade and commerce. The Hon'ble the Finance Minister has spoken about the profits of our railways, and has pointed out that, but for these profits on railways, the necessity for additional taxation would have been self-evident. But when one applies his attention to the enormous capital that has been laid out in building railway lines in India, the profits after paying interest are absolutely small and do not appeal to our consideration. I submit I should not be misunderstood. I have not run down railways; I am a cautious supporter of railways, and all that I have stated is that the Government have not made out a case for spending this year 50 lakhs of rupees on the construction of new railways. Sir William Meyer says that we have reduced our expenditure from 12 crores to 8 crores,—a very drastic curtailment. I note further that the bulk of these 8 crores will be spent on renewals and repairs, and a very small percentage of it will be spent in the construction of new railways. But all this is inconclusive. Reference was made to the Nagpur-Itarsi railway. In my speech I did not at all allude to the expenditure under that head being dropped for the reason that that scheme had been shelved for a period of three years after the construction had been started. It is, therefore, not surprising that it should find a place in the next year's railway programme. But I must submit that there has been no explanation about the other railways forthcoming. I was very anxiously expecting an explanation of some sort as regards the urgency of these three new lines, which are now contemplated to be constructed, and neither the Finance Minister nor Mr. Clark has thrown any light on the absolute necessity of spending money this year on those lines. It has not been at all pointed out that the postponement of this programme for a year would cause any serious inconvenience either to the State or to the country. Sir William Meyer, with his characteristic force, has also stated that he will bear in mind when a

suitable opportunity comes, about the construction of railways in the Central Provinces, and that he would then remind me of my utterances to-day. I am prepared. I may say that I am not a man likely to be discouraged by that. These discussions have their moral effect, and I have no doubt that, though the Hon'ble the Finance Minister has not accepted my resolution to-day, it will have a great deal of effect in the future, and I feel confident that in the succeeding year's budget we shall have a larger sum under the heads of Sanitation and Education. Sir, I know the ultimate fate of my resolution. It is not likely to be passed, but I feel the moral importance of it; and though I do not press for a division, I still request you, Sir, to put it to the vote."

The resolution was put and rejected.

The Council adjourned to Tuesday, the 9th March, 1915.

W H. VINCENT,

Secretary to the Government of India,
Legislative Department.

DELHI;
The 12th March, 1915.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Tuesday, the 9th March, 1915.

PRESENT:

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*, and 50 Members, of whom 43 were Additional Members.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir Robert Carlyle opened the second stage of the discussion on, and introduced the following heads of, the Financial Statement for 1915-16:—

Revenue.	*Expenditure.*
Land Revenue.	Land Revenue.
Provincial Rates.	Provincial Rates.
Forest.	Forests.
Scientific and other Minor Departments.	Scientific and other Minor Departments.
Irrigation.	Famine Relief.
Civil Works.	Protective Works, Irrigation.
	Irrigation.
	Civil Works.
	Capital outlay on Irrigation.

He said:—"I rise to introduce the heads of the Financial Statement of 1915-16 standing against my name.

"I have nothing to add to what has been said in the memorandum regarding the Land Revenue and Provincial Rates heads.

"Our Forest revenue has suffered from the War and on the expenditure side also the amounts provided have in several provinces had to be curtailed on this account. But the aggregate grant, though lower than this year's budget figure, is higher than in any previous year, while the surplus, if less than a million sterling which was reached in 1912-13 and 1913-14, is expected to exceed that of the current year and is taken at the substantial figure of 124 lakhs.

"But although purely from the revenue point of view, our Forest property is of great and increasing value and although, with the development of Forest industries and the exploitation of our reserves, we may look forward with confidence to an increased income; the commercial is not the only object in view. We have also to conserve and improve the forests.

"I do not propose on this occasion to describe what is being done both on the commercial and on the sylvicultural side, as we hope this year to publish a quinquennial review of our forest administration and in this the policy which we are following will be fully set out.

"Hon'ble Members may have noticed a new feature in the form of the budget. Agriculture, I am glad to say, is no longer treated as a minor department but has been given the dignity of major heads of its own and these heads include receipts and expenditure under agriculture, veterinary and co-operation. In this way it will be possible to tell without difficulty what is being spent on the improvement of agriculture and allied objects. Next year's grant of 91 lakhs will be nearly half as much again as the expenditure four years ago and it is gratifying that at a time like the present many of the Provinces have found it possible to increase their expenditure under this head. Both at the Imperial Research Institute at Pusa and in the various Provincial Departments of Agriculture, the work of improving Indian agriculture is being steadily carried out on scientific lines—a work which has already borne fruit. Here, too, I do not propose to describe what is being done as we are preparing and will shortly publish an historical account of the work of the Agricultural Department in India.

"On the veterinary side also admirable work is being done and I cannot allow this opportunity to pass without referring to the sudden death of Colonel Holmes, the Imperial Bacteriologist. To his brilliant research work and his capable administration of the Imperial Laboratory at Muktesar we owe a great advancement in the treatment of cattle diseases in India and by his death the Department has sustained a serious loss.

"Under the other heads which concern the Revenue Department I have nothing to add to the remarks contained in the memorandum.

"Turning to the working of the Department of Public Works, our splendid productive system, after meeting all charges for maintenance and repairs, and for interest, has returned a net profit amounting to 292 lakhs of rupees during 1914-15 exceeding the forecast by 21 lakhs. We anticipate for 1915-16 a net profit of about the same amount as realized in the current year.

"The total provision in the revised and budget estimates respectively for new major works, both productive and protective, is 260·4 lakhs for the current year, and 239·1 lakhs for 1915-16. The latter will be the third year in succession in which there has been a diminution of capital outlay on major works as a whole. The reason is the same I gave last year, namely, that while the great triple canal project in the Punjab is rapidly approaching completion and therefore absorbing a considerably smaller amount of funds than formerly, no new project of anything approaching the same importance has yet been sanctioned to take its place in the construction programme. A number of projects of the

first magnitude have been, or are at present in course of investigation; but for one reason or another they cannot yet be advanced for sanction. As the Council is aware, the Secretary of State decided last year to withhold sanction to the great Sukkur Barrage and Rohri project as designed. In the United Provinces another large project—the Sarda-Ganges-Jumna Feeder—has been delayed in consequence of the decision of the Local Government to revise it. The Cauvery Reservoir project in Madras is necessarily held up pending the final orders of the Government of India on the award of the arbitrator who was appointed to pronounce upon the dispute between the Governments of Madras and Mysore respecting the division of the waters of the Cauvery river. The orders of the Government of India have been held over pending receipt of a representation which the Madras Government propose to make in the matter. The Kistna dam scheme in Madras, and the Sutlej scheme in the Punjab are under investigation. During the current year a scheme for the construction of a large protective work in the Bombay Presidency, known as the Gokak Canal extension project, was submitted to the Secretary of State, whose orders are awaited. The estimate for this work amounts to 197 lakhs.

"The outlay on protective works has increased of recent years. The amount spent in 1912-13 was 63·98 lakhs and rose to 86·27 lakhs the year following. This includes about 11 lakhs from the general reserves of Government over and above Rs. 75 lakhs chargeable to the Famine Insurance grant. The revised estimate of the current year places the outlay at 85·24 lakhs and we are budgeting for 75 lakhs for next year as we cannot in a year seriously affected by war ask for any grant from loan funds beyond what is chargeable to Famine Relief Insurance.

"It may be of interest to compare the expenditure that has been incurred on capital works since the Irrigation Commission's Report was published with the programme of outlay recommended by that body. If a reference be made to paragraphs 123 and 139 of Volume I of the Report in question it will be seen that the Commission advocated the expenditure on productive and protective works of 44 crores in a cycle of 20 years, or an average of 220 lakhs per annum. During the ten years that have since elapsed, that is to say, in the period 1905-06 to 1914-15, we have spent 1625 and 633 lakhs, respectively, on productive and protective works; or 2258 lakhs in all. This gives an average annual expenditure of nearly 226 lakhs or about 6 lakhs beyond the rate of expenditure contemplated in the Report of the Commission. The expenditure during the last six years is still more largely in excess of the average annual expenditure recommended by the Commission.

"As regards Civil Works, I have nothing to add to what is stated in the Financial Statement regarding capital expenditure on the New Capital. So far as expenditure from Revenue is concerned, the total grant provided next year is 100 lakhs, that is, 19·50 lakhs less than the Budget grant for 1914-15. This reduction has been found necessary owing to the curtailment, generally, of ordinary administrative expenditure consequent on the war. The grant of 100 lakhs includes, (*a*) a reserve provision of 1·28 lakhs for Archæological works, inclusive of ·25 lakhs to be allotted to meet lapses from the grant of 1914-15; (*b*) 11·30 lakhs for the Delhi Province, ordinary; and (*c*) Rs. 3·18 lakhs payments in England on account of stores, furlough allowances, etc.

"Of the provision made in 1915-16, Rs. 36·46 lakhs represents the amount it is proposed to spend on Major Original Works, excluding Rs. 3·28 lakhs provided for Delhi Province, to meet the requirements of the Customs, Currency, the Post Office and Telegraph and other Departments. I would again draw attention to the fact that the Public Works Department is practically in the position of an Agent for other Departments, and that the provision made depends on the demands put forward by them. The provision for repairs, excluding Delhi Province, has been slightly reduced to Rs. 20·96 lakhs on account of the reduction made in the total grant."

RESOLUTION *RE* INCREASED GRANT FOR IRRIGATION.

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, I beg to move that—

'This Council recommend that the Budget allotment for productive irrigation works be increased by 15 lakhs of rupees.'

"It is hardly necessary—or rather, it should hardly be necessary, for me to draw the attention of the Council to the importance of irrigation works. The Government have acknowledged it, and they have followed a systematic policy of developing irrigation, which has led to the most beneficial results for which the country is grateful to the Government. But, Sir, there has been a feeling for a long time that the amount that should be spent on irrigation is not being spent, and more than once the attention of the Government has been drawn in this very Council during the last few years to the need for spending more on irrigation. The position at present is this. The last Irrigation Commission recommended that practically the whole amount of the Famine Insurance grant should be devoted to irrigation *minus* such sum as may be needed for the actual relief of famine when it should occur; but we find that even that figure has not been kept up to. The statement before the Council shows that in 1913-14 the amount spent was Rs. 1,92,33,927. In the budget for last year Rs. 1,80,00,000 was provided; the revised estimates show that Rs. 1,74,96,000 was spent; and in the budget for the coming year only Rs. 1,65,00,000 is provided; that is, that while even last year the budget provided for £1,200,000, or Rs. 1,80,00,000, this year it has been reduced by a further £100,000 or 15 lakhs of rupees. In view of the repeated demands that have been made for an increase in the grant for irrigation, this seems to me to be very unsatisfactory.

"Now, Sir, if it were that irrigation did not bring in sufficient receipts one could understand the unwillingness of Government to spend more on irrigation; but a glance at the figures given in this very statement would show that this is not so. By comparing the receipts from irrigation with those from railways, we get some very instructive figures. Railways for instance in 1911-12 brought in a net profit of 1·14. In the same year irrigation gave us 4·70. In 1912-13, the net profit from railways was 1·41. In the same year irrigation gave us 5·40. In 1913-14 railways returned 1·36, irrigation 5·87. In 1914-15, as the Hon'ble the Finance Member has explained, according to the revised estimates, railways will bring us only ·53, whereas irrigation gives us 5·44. In the budget before us the net profit from railways is shown as ·32 : in the same year irrigation is shown as likely to yield 5·30.

"It seems, then, that as irrigation is ever so much more profitable and as it is so much more beneficial in many other respects, the Government ought to explain to the Council and to the country why it is that it is not able to provide for the amount recommended even by the Famine Commission; and if there are any temporary causes which stand in the way, it ought to take steps to remove those causes, so that at the very least the carrying out of irrigation works to the extent of the Famine Insurance grant should be provided for in every year's budget. In March, 1912, my friend the Hon'ble Mr. Mudholkar urged that the allotment for protective irrigation works should be increased by 50 lakhs. In the course of that debate the Hon'ble Sir Robert Carlyle said: 'I would ask the Council to accept my assurance that while the Government must oppose the resolution, they fully appreciate the importance of the matter, and so long as I fill my present post, I will not relax my efforts to develop irrigation whether protective or productive.'

"The diminishing figures provided every year for irrigation would lead one to think that if there has been no relaxation of effort on the part of the Hon'ble Member, there has not been that keenness which we desire to see to provide for that amount which should be provided for irrigation. I therefore commend this resolution to the consideration of the Government, and I hope that they

will be able to add at least £100,000, which has been cut down from last year's Budget, to the allotment for irrigation."

The Hon'ble Sir Robert Carlyle :—"Sir, I must begin by explaining that my Hon'ble friend is under a misapprehension as to the recommendations of the Irrigation Commission. The recommendation was not that 220 lakhs should be spent on productive works alone, but on irrigation works of all kinds, and we fully acted up to their recommendations under this head, as I have already mentioned."

The Hon'ble Pandit Madan Mohan Malaviya :—"May I inquire, Sir, where this is shown in the statement?"

The Hon'ble Sir Robert Carlyle :—"It is shown under various heads, not all under one head. I will show them to the Hon'ble Member after the debate."

The Hon'ble Pandit Madan Mohan Malaviya :—"I would suggest that—"

The Hon'ble the Vice-President :—"Order! Order!"

The Hon'ble Pandit Madan Mohan Malaviya :—"May I explain—"

The Hon'ble the Vice-President :—"There is no question of explanation; the Hon'ble Member has said that he would explain it later; the matter is therefore disposed of. The Hon'ble Member can reply."

The Hon'ble Pandit Madan Mohan Malaviya :—"I was going to make a suggestion, if I may with your permission, Sir, that it would save the time of the Council if the allotments for irrigation were all shown in one place; it might then not have been necessary for me to bring up the resolution."

The Hon'ble Sir Robert Carlyle :—"I will consider that suggestion with regard to the next year's budget and will lay on the table at another meeting a statement showing the year's figures. While I welcome the resolution now before us as an indication of the interest taken by the Council in a matter of vital importance to the welfare of India, I cannot accept the additional sum it is proposed to grant as we have already provided in the Budget for the full amount we believe we can spend. We have met the demand of all Local Governments in full; in fact in some cases we have allotted somewhat more than we were asked for. Over and above this we have kept an unallotted sum of 10 lakhs on our hands as a reserve. The only effect of increasing the grant would be a lapse at the end of the year. There are very great difficulties in preparing large irrigation schemes. It is very disappointing, for example, that we are unable to commence work on the Sind scheme which took so many years to prepare. Some of our most distinguished irrigation engineers took part in the preparation and examination of the scheme, and the fact that it has failed to pass the scrutiny of the Secretary of State shows how difficult it is to prepare a completely satisfactory scheme when some of the conditions are unfavourable. I have already to-day, when introducing the budget heads with which my department is concerned, mentioned the unavoidable delays that have occurred in the case of other important projects. While I regret that in 1915-16 we cannot spend more on productive works, I foresee much larger expenditure in future, when the great works still under consideration have been put in hand. Independently of these large projects, other measures, involving heavy expenditure, are very likely to materialise in the near future. Experiments are going on regarding the water-proofing of channels, which, if successful, will lead to a considerable economy of water and enable us to extend largely the scope of our irrigation works. I can assure the Hon'ble Pandit Madan Mohan Malaviya that I have done all in my power to spend the largest sum possible on productive irrigation works. In these circumstances the Hon'ble Member may see fit to withdraw the resolution, as we could not spend the money if it were given to us."

The Hon'ble Pandit Madan Mohan Malaviya :—" While I thank the Hon'ble Member for the explanation that he has given and the assurance that all that could be spent is being spent, I think, Sir, it is still my duty to request the Government to see if more money cannot be spent than is being spent on irrigation. We find that so far as railways are concerned, there is no lack of demand for increasing expenditure on railways ; any amount of money that can be secured is, as a rule, utilized during the year. I think, Sir, that if the Department will devote closer attention to finding out whether more money could be spent on irrigation, probably the Hon'ble Member would be able to ask the Council for a larger grant than he has done to-day. I do not think it necessary to press the resolution to a division, but I hope the matter will be borne in mind when the next Budget is prepared."

The resolution was put and rejected.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Mr. Porter :—" Sir, I beg to introduce the following head of the Financial Statement : —

'Medical (Sanitation).'

" As regards Sanitation there is nothing to add to the information contained in paragraphs 105, 106, 109 and 224 of the Statement of the Hon'ble the Finance Member. No fresh grants for Sanitation are being made. The grant of 5 lakhs per annum to the Indian Research Fund continues, and during the year a sum of Rs. 4,42,000 has been expended by the Governing Body on the various inquiries in progress, and on anti-malarial projects."

The Hon'ble Mr. Sharp :—" Sir, I beg to introduce the head 'Education.' It is usual on these occasions to lay on the table statements shewing the distribution of grants during the forthcoming year, principal developments in the past year and figures of progress. This year no statement of new grants is possible because there are no new grants to distribute. It is at least satisfactory that, in a period of stress and strain, so far from any curtailment of our educational expenditure, the total budget estimate for all India in 1915-16 exceeds the revised estimate of 1914-15 by 15 lakhs of rupees. As for progress, it has been thought that the time has come when the general interest evinced in education both by members of the Council and by the public, will best be met by the publication of a short annual report. It is hoped to lay such a report on the table before the session closes. If this cannot be done, it will at least be ready next month.

" It is here necessary only to add that during the past two years the effect of our grants has been visible in statistics. Between March, 1912, and March, 1914, the number of those at school has advanced by 737,426 and expenditure has risen by about 216⅓ lakhs. The details of improvement will be found in the forthcoming report."

The Hon'ble Mr. Clark introduced the following heads of the Financial Statement for 1915-1916 :—

Revenue.	*Expenditure.*
Salt.	Salt.
Excise.	Excise.
Post Office.	Customs.
Telegraphs.	Post Office.
Stationery and Printing.	Telegraphs.
State Railways.	Stationery and Printing.
Subsidised Companies.	Protective Works, Railways.
	Subsidised Companies.
	Miscellaneous Railway Expenditure.
	Capital outlay on State Railways.

He said :—" Sir, I have to introduce the heads of Excise, Customs, the Post Office and Telegraphs, Stationery and Printing, and Railways. The

only subjects which require any remarks from me, over and above what appears in the memorandum explaining the details of the estimates, are Customs, the Post Office and Telegraphs and Railways.

"As regards the first of these, my Hon'ble Colleague the Finance Member has already explained the effects of the war upon our customs revenue and the various causes underlying the serious diminution of receipts under this head. At the present moment the specially prominent factor is the lack of shipping and the consequent high level of freights. Government have endeavoured to remedy this by the utilization of enemy vessels to carry private cargoes, and I think I am right in claiming that India was the first country in the Empire to employ detained vessels in this manner. While there has been this decline in business at the ports and a decline therefore in the normal work of the Customs Department, new duties have fallen upon the officers of the Department of a specially onerous and responsible kind. As soon as hostilities broke out, a strict watch had to be maintained over enemy vessels and over their cargoes which happened to be in port. The Department has now been relieved of this responsibility, but a great deal of other novel work has been thrown upon it through the necessity for the supervision of exports, in order to prevent supplies reaching the enemy not merely directly but also through neutral countries. Various prohibitions and restrictions of trade have had to be imposed in this connection and also to ensure the retention in this country of military and medical stores of which abnormal supplies are required in time of war. It has also been necessary to prohibit or restrict the export of certain commodities, especially wheat and wheat flour, which are necessary for local consumption and which might be tempted abroad by the high prices offered elsewhere. The duty of seeing that effect is duly given to the various notifications concerned falls upon the officers of the Customs Department, and I am very glad of this opportunity of paying a tribute to the efficient manner in which this work has been carried out. I can speak with personal knowledge of the admirable way in which control has been maintained at the ports, while at the same time the fullest possible consideration has been shown to the mercantile public, who, on their side, have accepted the various restrictions in a very willing and patriotic spirit.

"As regards the Post Office and Telegraphs, the scheme of amalgamation, the most important administrative measure ever undertaken in the Post Office, or Telegraph Department, has now been fully introduced. Thanks to the able administration of my Hon'ble friend Mr. Maxwell, and to the thorough and tactful manner in which he has dealt with the question, this great change has been effected without any dislocation of departmental business or inconvenience to the public, and the new system is now in satisfactory operation. As a natural result of the amalgamation, the Budget Revenue heads 'XIII—Post Office' and 'XIV—Telegraph' have been replaced by the head 'XIII—Posts and Telegraphs,' and the Expenditure heads '15—Post Office' and '16—Telegraph' by the head '15 Posts and Telegraphs'. The total revenue for the year 1913-14 was £3,432,600. According to the Revised Estimate the amount for the current year will be £3,436,400, and for the coming year we cannot expect to realise more than £3,464,300. This is exclusive of the rebate of £69,000 which is to be allowed to India in respect of the payments due under the P. & O. contract. The very small increases represented by these figures are attributable entirely to the general depression caused by the war. The total expenditure for the year 1913-14 was £3,142,000 and the Revised Estimate for 1914-15 is £3,209,700. For next year we have budgetted for a sum of £3,276,300. For the year 1913-14 the Revenue exceeded the expenditure by £290,600, and if our predictions are fulfilled the corresponding amounts for 1914-15 and 1915-16 will be £226,700 and £257,000 respectively. In the matter of Capital outlay on the telegraph service the Budget Estimate for 1915-16 is £179,000, exclusive of the share of establishment charges, as compared with a Revised Estimate of £174,600 for the current year and a sum of £174,200 actually spent during 1913-14. The revenue of the Department is a matter that we cannot control, but every effort has been, and will continue to be, made to keep the

working charges as low as possible. No increase of expenditure that is not urgently necessary in order to maintain the services at an efficient standard will be incurred.

"The war has imposed a great deal of extra work on the Post Office and the Telegraph Department in regard to censorship, the provision of staff to accompany the forces, and the sorting of mails for the various expeditions. These additional duties have been performed in a thoroughly efficient manner.

"On the engineering side, considerable progress has been made during the current year in extending the wireless system throughout India, the stations at Madras, Rangoon, Secunderabad and Diamond Island being completed. By the opening of the two first named installations, a ship in practically any part of the Bay of Bengal is in wireless communication with India. I should also like to draw attention to the enterprise of the Department in introducing automatic telephones into India. These were brought into use in Simla in the beginning of the year and have worked with complete success. In view of this it is under consideration to extend this system to other parts of India when prices are favourable. Another most successful engineering undertaking has been the erection of the Simla-Delhi trunk telephone connection, which has been of the greatest service to the Government of India and especially to those Departments upon whom abnormally heavy work has been imposed by the war.

"Turning now to Railways, my Hon'ble Friend, the President of the Railway Board, would in ordinary circumstances have shared with me the task of rendering some account of our administration during the year. I regret to say that he is prevented by illness from attending Council, and I must therefore deal myself with the subject on which it was proposed that he should address Council to-day, namely, the question of railway working expenditure charged to revenue during the current and the coming official year. I may say that in so doing I shall follow very closely the lines on which Sir Henry Burt had proposed to speak. But I will first mention a few other matters which I hope will be of interest to Council.

"During the first few months of the war the railways of India were subjected to a very severe test in being called upon at extremely short notice to concentrate at the ports of Bombay and Karachi troops of all arms with their full equipment and supplies, for the despatch overseas of by far the largest expeditionary force that has ever left this country. That the task thus entrusted to the Railways was carried through without a single hitch and to the entire satisfaction of Government, testifies to their preparedness for an emergency and to the resources at their command. Material assistance in respect of warlike operations was also rendered by individual Railways in certain other directions; notably in making available and facilitating the transport of coal for the purposes of the Royal Indian Marine, who required large quantities of fuel at short notice. Help, too, was afforded by some lines which lent the services of part of their workshop and other staff for special work in the dockyards. Normally a considerable number of Royal Engineers Officers is employed on railway work—mainly in the Engineering, Traffic and Government Inspectors Branches. Forty-five of these have been set free for military duty and in addition to these some thirty civilian officers have also joined the army. The railways, I think, may fairly claim that they have borne their part in this great crisis.

"To turn to finance, I suppose there is no country in the world, whether among the belligerents or the neutrals, in which railway expansion has received less of a set-back than in India. No attempt has been necessary to curtail the programme which we set about carrying out in the year 1914-15. In the year 1915-16 there will be a capital outlay of 8 millions sterling which, though it may compare unfavourably with outlay in the current year, is approximately the amount of capital expenditure annually incurred some 4 or 5 years ago. In certain ways the present falling-off of traffic is not altogether a disadvantage. The increase of the capacity of our railways was a matter of such urgency in recent years that speed as well as economy had to be considered when taking steps to secure it. The best possible way to

obtain relief is the provision of those open line facilities—additional tracks yards and so forth—which will make not only for expedition but for economy in future working for more efficient utilisation of rolling stock and for the elimination of unnecessary expenditure when trains are delayed upon their journey. The construction of such additional facilities takes time, however—in many cases a very long time—while the provision of additional rolling stock is an obvious and rapid method of removing the immediate pressure, and for this reason it has been resorted to very freely during the last few years. In the forthcoming year we propose to continue progress on all the open-line works of improvement which have already been taken in hand in addition to beginning a certain number of new ones, while still making a moderate provision for additional stock. There will remain over a million sterling for expenditure on lines under construction and for new lines not yet begun. This enables adequate provision to be made for all the projects which we have at present in hand, while retaining a reserve to be devoted to certain projects which we have under discussion, should it prove—as I hope that it may—possible to begin work on some of them during 1915-16.

"In connection with the allotment of funds for lines in progress, there is one point which I should especially mention. Now that the Hardinge Bridge, which was opened by His Excellency a few days ago, has been completed, we are left with only one really large project in hand, that is the Itarsi-Nagpur Railway. The northern section from Itarsi to the Pench Valley Coal Field has been completed, but the southern section from Nagpur to Amla is still less than half way towards completion. It is now over 6 years since this large project was begun but the rate of progress has been retarded by the necessity for dealing first with the still more urgent demands on our open lines. This year we propose to devote a sum of no less than 50 lakhs of rupees to the Itarsi-Nagpur Railway. This will not be enough to provide for the completion of the line and the provision of the necessary rolling stock. At the same time it will go a very long way towards making the whole of the project ready for opening to public traffic, and in future years this long and expensive line will cease to be such a heavy drain upon our available resources. This is a matter for sincere congratulation.

"While it is satisfactory that we have been able to arrange for the financing of a very considerable programme from Imperial funds, it is no less satisfactory to find that the war has not put an end to the financing of new lines of railway through the agency of private enterprise. The Hon'ble the Finance Member has informed you of the progress which has been made in this direction during the year. I think that we must all agree that it speaks well for the confidence which the Indian public place in investments in branch railways. Not only has a new company been floated since the declaration of the war, but, in addition to this, further capital has been raised by companies already in existence. We have at present applications for the immediate flotation of several new branch line companies, one of them a very important venture, and I believe that it will be found that any set-back which may have been caused by the war is only temporary and that a progressive increase will occur in the amount annually forthcoming for the construction of new railways outside our ordinary programme.

"The question also of district board railways has in Madras attracted great attention and indeed in one case—in that of the Dindigal-Pollachi-Palghat line—has given rise to an acute controversy. I take this opportunity of saying that on the general question of policy there is no difference of opinion. We recognise the prior claim of District Boards, to which the Hon'ble Sir Harold Stuart recently gave expression in the Madras Council, and we trust that not only in Madras but in other parts of the country District Boards will take a large and increasing share in the work of railway development. At the same time District Boards—like all other bodies in whom financial responsibility is vested—must cut their coats according to their cloth, and we in the Government of India must depend upon the Local Government concerned for an opinion whether in any particular case the assets and potential

resources of the District Board, or District Boards interested, are sufficient to justify their undertaking the construction of any particular line.

"The difficulties which have hitherto stood in the way of railway extension in Assam are now, I am glad to say, in a fair way to be overcome. The special conditions of the province have been recognised and a Resolution was lately issued informing the public that the Government of India would in future be prepared to consider the grant of a special subsidy from the Assam Administration, which would for a fixed term of years increase the 3½ per cent guarantee offered under the ordinary branch line terms to 4½ per cent. There is every indication that the liberality of these terms has been appreciated and that within the next few years we shall have a rapid development of railway communication in the province of Assam. Apart from the great benefit which must necessarily result to the country as a whole, this is of special importance in view of the hitherto unremunerative nature of the Assam-Bengal Railway. This line was most expensive to construct and is most expensive to maintain. In a mountainous country, subject to torrential rainfall, this high expenditure on maintenance must necessarily continue, and our only hope of increasing the net earnings so as to show an adequate return upon the capital outlay lies in the direction of increasing the volume of traffic. This increase of traffic can only be brought about by the opening of areas to cultivation, while at the same time bringing them into direct communication with the Assam-Bengal Railway.

"In the various points on which I have touched, I think we find considerable grounds for encouragement. Especially is there cause for satisfaction in the growing interest shown by the public in railway matters, a feature which must be welcomed by all who are responsible for the administration of our railways and interested in the development of the country in which our railways play so great a part.

"I come now to the subject with which it had been proposed that my Hon'ble Friend the President of the Railway Board should deal, namely, the subject of what we have done and propose to do in regulating our railway business so as to conform with the exceptional conditions which have affected it, and which may be expected to continue to affect it during the forthcoming financial year. I shall take first the current year. As Hon'ble Members are aware, we budgetted this time last year for gross receipts amounting to 56·60 crores of rupees, that is for an improvement of nearly Rs. 30 lakhs over the gross earnings for the year 1913-14, our previous best. We have had to prepare a revised estimate for a decrease in gross earnings of nearly 3 crores of rupees as compared with the total reached in 1913-14. Hon'ble Members will, I think, recognise that in the abnormal circumstances of the year, this serious falling off of earnings, though to be lamented, is not a matter over which the administrations could exercise any effective control. They will desire to be informed rather of the extent to which it has been or will be possible to adopt measures to restrict expenditure on revenue account so that the fall of earnings may be counterbalanced by special economy.

"While we are now compelled to estimate for this very large reduction of earnings in the present year, there was until the beginning of August every indication that our budget anticipations would be fully realised and that record earnings would be secured in the present year. With that prospect in view, railway administrations adopted the policy, which is a perfectly sound one, of pushing forward the repairs of engines and rolling stock during the earlier months of the year, a period during which they were justified on the results of previous experience in supposing that traffic would be lighter than that which might be expected later in the year. Expenditure was therefore freely incurred on renewals and repairs generally so that railways might be in the strongest position to handle the anticipated rush. In a word they concentrated their expenditure into a period when it could be incurred with least detriment to the interests of themselves and of their constituents. Railways, moreover, stood committed to expenditure on new permanent way with a view to the carrying out of the programme of track renewal which had been arranged for. Orders for such

permanent way have, of course, to be placed in the early part of the year, if not before then, although the actual relaying is ordinarily carried out in the cold weather months.

"When the war came, its full effect upon our railway business was to some extent obscured during the first few months by the large volume of military traffic which railways were called upon to handle. Such traffic is not a source of any considerable profit, while adding comparatively little to receipts, it operated to maintain expenditure at a high figure, not only on account of the actual train mileage run, but also on account of the fact that it was impossible to effect any reduction of establishment at a time when it was impossible to say what urgent military traffic it might be necessary to handle. The causes to which I have so far referred as having operated against the possibility of reducing expenditure are special in the sense that they are dependent on the particular conditions which obtained both prior to, and for some months after, the outbreak of war. But apart from these special causes, whenever there is a sudden large decrease of railway business, it is impossible, as my Hon'ble Colleague the Finance Member pointed out in his recent speech on the Financial Statement, to effect anything approaching a proportional decrease in working expenses. This is a point upon which I desire to lay particular stress, as it is of importance not only in connection with our railway expenditure during the current year, but also during next year. Our railways have been equipped to carry a certain volume of traffic, and our scale of permanent staff and our other arrangements have been framed with a view to carrying that volume of traffic also. If it could be foreseen that for a period of several years a less volume of traffic would have to be handled, we could possibly effect a reduction of working expenses in proportion to the anticipated reduction of earnings. But such is not the present case. The expert advisers of Government on railway matters are confident that a great revival of our railway business will occur immediately upon the restoration of peace, that is after an indefinite period of slack traffic.

"I do not say that on our railways reductions cannot be effected. Some trains may be cut off and some reduction made in the operating staff, where local circumstances permit this, but it is clearly impossible to shut down any of our railways or to permit the maintenance of our way, works and rolling stock to be neglected. Even the alteration and reduction of train services, though it may appear justifiable on the returns of earnings, must be kept within the limits dictated by the convenience of passengers and trade.

"Since the exceptionally heavy military traffic ceased, railways have devoted the greatest attention to effecting economies in operating expenses. They have, where possible, reduced the train mileage and they have also reduced overtime in railway workshops and in certain cases the workshop staff. It would be idle to suggest that these economies have been brought about without causing inconvenience and in some cases hardship to individuals, but at a time such as this it was clearly incumbent on the Railway Board to see that every possible effort was made to reduce expenditure on the working of our railways, and I am glad to say that in this matter the Board have received the loyal co-operation of Railway Administrations, and of the Directors of Railway Companies.

"For the reasons which I have already explained we have only been able to show a reduction of ₹11 lakhs on the budget figures for expenditure during the current year. Turning to next year you will have observed that, while our gross receipts are estimated at 53 crores on the basis explained to Council by the Hon'ble the Finance Member, a reduction of 45 lakhs on our latest estimates of receipts for the current year, our estimated expenditure exceeds that for 1914-15 by 24 lakhs. I should like to explain to Hon'ble Members the reason why this increase of expenditure is proposed.

"In dealing with railway working expenses it has been found convenient to classify all expenses under two heads, the first ordinary working expenses, the second special expenditure. Under ordinary working expenses is included all expenditure on the operation of trains, the cost of ordinary maintenance,

repairs and renewals, the salaries of the permanent staff and many miscellaneous items of expense. Under special expenditure is included provision for the revenue portion of all these open line works of improvement upon which capital outlay has been, and is still being, incurred, also the cost of what I may call the heavy renewals, that is the renewals of engines of rolling stock and of the track.

"Notwithstanding what I have said about the difficulty of reducing working expenditure we actually propose to spend 46 lakhs of rupees less under the first head than the revised estimate of expenditure for the current year. We propose in fact to continue all efforts for effecting economy which have been exercised during recent months. In estimating that this reduction will be brought about we have assumed a uniformly low scale of receipts throughout the year, and on this assumption, I think, that we have on the whole been cautious and it may be that if the estimate of the traffic to be carried is not exceeded we may be able to effect a still larger reduction than this.

"The Council will readily understand that a considerable provision for special expenditure has not been made without a very careful examination of the position. In consultation with the Agents of railways, the Railway Board have lately examined the whole position in detail. It has been found that during recent years, when a special effort was being made to increase the capacity of our railways, the revenue funds which were made available for special expenditure had to be devoted first to the revenue share of these works of open line improvement, which we had sanctioned with a view to removing the very justifiable complaints made regarding the inadequate capacity of our railways. The sum which was left for the renewal of permanent way, rolling stock, bridges and the like was insufficient to meet the demand, which is naturally a growing one by reason of the facts, first, that the rolling stock and the permanent way which reaches a certain limit of age annually is increasing year by year, and, second, that the very heavy traffic handled recently has naturally added to the amount of wear and tear thereby reducing the normal life of tract and stock. We are in fact to some extent in arrears with what must be considered to be a normal programme of heavy renewals, and we have decided, therefore, to do our best to continue to put our house in order now, rather than to wait until the strain comes and the machine runs a risk of breaking down. I am convinced—and our technical advisers on the Railway Board are convinced—that it would be the worst possible form of economy to attempt to make a saving under the head of special expenditure, even during a single year; to do so would be to impair both the capacity and efficiency of the lines and would result in serious difficulty immediately on the revival of traffic. Of course all this, coupled with a cautious estimate of gross earnings, means that the nett return from railways is estimated to be much less during 1915-16 than during recent bumper years. At the same time I would remind the Council that even so the percentage of nett working profit (excluding interest charges) to capital, as quoted a few days ago by the Hon'ble Financial Member, is estimated at just over the respectable figure of 4 per cent, 1 per cent below the corresponding figure for 1913-14, and higher than the percentage of 3·18 calculated on the same basis, for the last year which can be described as a bad one, that is 1908-09. That this is so I do not think the Council can regard otherwise than as a matter for congratulation."

RESOLUTION *RE* PROVISION FOR AIDING AND ENCOURAGING INDIGENOUS INDUSTRIES.

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, I beg to move—

'That this Council recommend that a sum of Rs. 12,00,000 be provided in the Budget for aiding and encouraging indigenous industries.'

"I need not take up the time of the Council by dwelling upon the importance and the necessity of doing something more than is being done to aid indigenous industries. We had a recent discussion in this Council and the Hon'ble Member in charge of Commerce and Industry accepted a resolution in which it was stated that Government would afford such assistance and co-operation as would be practicable in the promotion of industrial enterprise in India. But I do not see any provision for it in the Budget. If there is, I should like to be corrected at this stage. And I submit, Sir, that the matter is of far greater importance than the language of the resolution to which I have referred would indicate. We have immense raw materials in this country, and we export them in enormous quantities. We have not been developing our industries to the extent that we should have done, considering the numerous other advantages which the country enjoys under the present Government. The Council is aware that the Famine Commission of 1878 reported that in order to guard against the suffering to which the people are exposed during times of famine, it was essential that industrial enterprise should be promoted. Speaking in 1908, Sir John Hewett rightly observed that there is no subject upon which more had been written and less had been done. The Government of India have recognised the duty of promoting industrial enterprise in theory, but, in practice, I regret to say, not much has been done up to this moment. The present war has emphasised the need for it and has also pointed out the advantages which would accrue to the country if the Government were to seize the opportunity. I do not know that there has been any provision made or that there is any intention to take up the matter seriously in order to promote such enterprise. I think in this matter Japan affords us a very instructive lesson. Japan was, like India, till 40 years ago, an agricultural country which used to export its raw produce in enormous quantities. In much less than 40 years its character has changed from an agricultural country into a country which exports manufactures in a larger measure than raw produce. While the percentage of raw produce exported from Japan has been steadily diminshing for the last twenty years, the percentage of manufactured articles exported has been steadily growing. I think, Sir, that no one will question that the Government of India are in a position, if they so desire, to promote as much industrial enterprise and development in this country as the Government of Japan have done for Japan, and it is earnestly to be hoped that in view of all that has been said in this Council on this subject, and of the importance of the subject which is recognised by Government, a serious effort will be made now, not merely to help such industries as may be existing by providing expert advice or by publishing bulletins or other information, for which we do certainly feel thankful, but by finding out whether the Government cannot by a systematic scheme promote such industries as would utilise the enormous quantities of raw products which have to be exported at the present moment. If this is done, Sir, a new era of prosperity will dawn upon India.

"The present War has brought its many evils, but it has shown the great value of wealth. It is expected that the greater wealth of England will in the long run tell against Germany and bring conquest to England. Here in this country we are unfortunately an extremely poor people. Having been under the otherwise excellent administration of Britain for such a long time, India should even now be put in such a position that it should be able to utilize its raw products, and should export only such as cannot be utilized with advantage in this country.

"In this connection, I must draw attention to one portion of the speech of the Hon'ble Mr. Clark, which he delivered on the occasion of the resolution for aiding industries. Speaking of the efforts which were being made in England to form new companies to manufacture dyes and other articles which had ceased to come from Germany and Austria, the Hon'ble Member is reported to have said :—'It is not essential for us, representing India, to make ourselves self-supporting so long as England is able to produce and supply to us the articles which we require.'

"I should be glad to know, Sir, that that report does not correctly represent what the Hon'ble Member said—."

The Hon'ble Mr. Clark :—" That is quite correct."

The Hon'ble Pandit Madan Mohan Malaviya resumed: —" But if it does, I must take strong exception to it. India should benefit and not suffer by its connection with England even in the matter of manufactures. It should do so to a greater extent than other countries not so connected with England. We need to be industrially independent in order that we should be able to turn to the best account the produce of our own country. The fact that England is able to produce certain articles is no reason why India should not, if it profitably can, produce the same articles, and that it should remain content to be merely the supplier of raw articles to England. We should not be content with our industrial condition until we are able to produce every manufactured article which our people use and for which nature gives us an opportunity and an advantage in the shape of raw materials. I hope that my Hon'ble friend, and the Government of India as a whole, do not really take that narrow view which was indicated in the remarks to which I have drawn attention, and I hope that, in view of the great need there is of increasing the national income in India and putting down poverty, of making it possible for the people to be able to live in these days of high prices in a better way than they are at present able to with their deplorably low national income, the Government will recognise the great importance of fostering indigenous industries and will provide the means for making a beginning for it in their present budget. The amount that I have asked for is a very small sum, a sum of 12 lakhs only. One might wonder why it is that, when I ask for a systematic scheme for the development of industrial enterprise, I ask for the small sum of 12 lakhs only. My reason is that I know the difficulties of the present year. In fact we fully recognise that, generally speaking, the Hon'ble the Finance Member has done the very best that he could in the circumstances of the year and we all feel deeply grateful to him for it. It is therefore that I have not asked for a larger sum. But I ask for this sum in order to indicate that the Government of India recognise that they should now actively take steps to find out what industries can be promoted, and to set their heart on promoting them and thereby earn the gratitude of the people."

The Hon'ble Mr. Ghuznavi :—" Sir, I have much pleasure in supporting the resolution which has just been moved by my Hon'ble friend Pandit Madan Mohan Malaviya. My friend has referred to another resolution which was moved in this Council a short time ago and which was accepted in an amended form. Such being the case, there ought not to be any difficulty in accepting the present resolution moved by my Hon'ble friend. What the Non-Official Members of Council were anxious to impress upon Government was that now or never is the time for giving an impetus to indigenous industrial development and that Government, as the chief custodian of all our interests, should avail themselves of this opportunity to pave the way for our industrial regeneration. On the occasion of the last debate that I referred to just now I particularly laid great stress on the fact that at present we need not worry ourselves with large concerns which require lakhs and lakhs of rupees Such undertakings unfortunately are still beyond our capacity. It is the small industries to begin with which suit our people best, such as weaving, spinning, sugar manufacture, manufacture of salt, brass or other metallic articles. All of these can be fostered under judicious guidance and with a very small amount of capital. My Hon'ble friend the Panditjee is not asking for a crore of rupees, but he is only making a very modest request, namely, for only 12 lakhs of rupees, and if Government were not prepared to accede to our request for aiding our industries to any very large extent by making large grants, Government might still, for the sake of making an experiment, accept the present resolution which only requests that the small amount of 12 lakhs of rupees may be granted to that end. Sir, Providence has thrown a great opportunity in our way. Imports from foreign countries have ceased and therefore this is just the time when an experiment of the kind should be made. I have therefore very great pleasure in giving my whole-hearted support to this resolution."

The Hon'ble Rai Bahadur Sita Nath Ray :—"Sir, I do not wish to take up the time of the Council by repeating the arguments which have been used by the Hon'ble Pandit Madan Mohan Malaviya, but as a member of the mercantile community it is desirable that I should speak, and I beg to support the resolution of the Hon'ble Member with all the emphasis I can command. As I propose to move a resolution somewhat analogous to the resolution now moved, I do not like to take up the time of the Council by repeating the arguments which I shall have to use on another occasion. But on all grounds, and considering the small amount which has been asked for, it is extremely desirable that Government should accede to our prayer. What can be more unfortunate than that such a large country as India should be dependent for every necessary, for every luxury, upon foreign countries. Even Japan, as has been pointed out by my Hon'ble friend, which was once an agricultural country, has now commenced to export her manufactured articles to India Formerly India used not only to manufacture all the sugar that it wanted for its own consumption, but it used to manufacture a good deal more and to export it for the use of foreign countries. But what is the position now? Our sugar industry has not only in a manner received a check on account of the cheap sugar imported from Java and other places, but our whole market is glutted with sugar coming from Java, and we are not in a position to compete with the cheaper article of Java. Under all these circumstances it is desirable that something should be done, and, considering the small amount asked for, it is extremely desirable that the Government should do something to promote our industries"

The Hon'ble Maharaja Manindra Chandra Nandi :—"Sir, I beg to support this resolution. Inquiries are being already made in view of the discontinuation of trade with enemy countries as to the feasibility of reviving and restoring Indian industries and the exhibitions recently held of foreign articles have the same object. This seems to be an excellent opportunity for giving an impetus to indigenous industries in India and thereby helping to reduce the dependence of this country for a number of articles on countries with which the British Government are at war. There are many Indian industries which if properly guided and encouraged would be in a thriving condition in a few years, and it is fitting that provision for that purpose should be made in this Budget."

The Hon'ble Maharaja Ranajit Sinha of Nashipur :—"Sir, I have much pleasure in supporting the resolution which has now been moved by my honourable friend Pundit Madan Mohan Malaviya. The question has been fully discussed lately in this Council and the Honourable Member in charge of industries has in a manner accepted the resolution. He promised that the Government would do its best to promote and help indigenous industries as far as practicable.

"But, Sir, in going through the Budget I have not been able to find any sum provided for this purpose, which has been recognised by the Government to be a most important one. Of course, it is very difficult this year to suggest any large expenditure under any item. The Budget has been very carefully prepared by the Honourable Member in charge of Finance, and we are grateful to him; but I think there will be no difficulty in providing such a small sum as has been recommended by my honourable friend in his resolution.

"With these few observations, I have much pleasure in supporting the resolution."

The Hon'ble Mr. Abbott :—"Sir, I beg to support the Hon'ble Mover."

The Hon'ble Mr. Clark:—"I would suggest to Council that it is important in the first place in dealing with this resolution to be absolutely clear what we are discussing. The Hon'ble Member has recommended that a sum of Rs. 12 lakhs should be provided in the present budget for aiding and encouraging indigenous industries; in other words that a sum of 12 lakhs of rupees should be spent in the coming financial year on this object. There has been a certain tendency instead of discussing this proposition to debate the much larger question of the general merits of Government providing money for encouraging indigenous industries. I should be the last person to deny the importance of that problem, and it is a question on which it is very natural that Hon'ble Members should hold opinions and on which they should wish to speak in this Council. But I do not think that we ought to be led to-day into a general discussion of the kind. Nor do I propose to follow the Hon'ble Pandit into the seductive vista of controversy as to how far India should be self-supporting, which he opened up by quoting a single remark of mine from a speech which I delivered the other day on the Hon'ble Raja Kushalpal Singh's resolution. I was there referring to the question as to whether, in view of the fact that there is a great shortage of dyes in India, we ought to take very special steps to replace that shortage. I pointed out the measures which had been taken at home for providing dyes there and what the Home Government had done in the matter of furnishing loans, and said that as the British Navy was fully capable of keeping the seas open, it would be most uneconomical for us to do anything of the same kind in India. The larger question of the general promotion of industries seems to me to be a question more for discussion under the rules which provide for debates on matters of general public interest. What is now under consideration is the budget of the year, and more especially, that side of it which deals with the objects on which the revenue of the year is to be expended. That being so, the question brought forward by the Hon'ble Member resolves itself into the proposition either that the 12 lakhs which at present are allocated to other purposes should now be allocated to the purpose of aiding and encouraging indigenous industries, or that my Hon'ble Colleague the Finance Member should raise for this purpose another 12 lakhs in addition to the revenue for which he has already estimated in the coming year."

"The Hon'ble Pandit did not suggest that the 12 lakhs he wishes to be used for indigenous industries should be provided from other sources; and of one thing I feel fairly certain, and that is that my Hon'ble Colleague the Finance Member cannot on its existing basis expand his revenue even by the comparatively small sum of Rs. 12 lakhs. I think I may safely say that any further increase in the demands for expenditure would involve additional taxation. I do not know whether the Hon'ble Pandit would advocate this course, however desirable the objects may be on which the money is to be expended. My Hon'ble Colleague in his Financial Statement has given the reasons why, after very serious consideration, Government have decided against increasing taxation this year. We came to the conclusion that with trade conditions depressed and with the present abnormal rise in food-prices in a large part of the country (I am borrowing my Hon'ble Colleague's own words), we ought not to add to existing taxation, unless it was absolutely necessary to do so. We held that this necessity had not arisen, and much as I wish to see indigenous industries developed in this country, I could not join the Hon'ble Pandit in pressing on my Hon'ble Colleague that additional taxation should be imposed for the purpose.

"Let me turn to another point. The financial year which we have before us will be entered upon under the abnormal circumstances created by a great war. We cannot say how long that war will last, but should it be protracted throughout the year or through a greater part of the year, Government cannot agree with the Hon'ble Member that this is a safe moment for the expenditure of large sums on the promotion of indigenous industries. I need not develop over again the arguments which I have laid before Council in

the debate on the Hon'ble Raja Kushalpal Singh's resolution. I explained then what Government have done in the way of affording finance for the general assistance of trade, and also that Local Governments and ourselves are in other ways affording such help as we can in order to assist Indian manufactures to capture trade which has hitherto been held by German and Austrian competitors. We have not, for the reasons given, gone in for financing industries. We and Local Governments have worked by what seemed to us the sounder method of supplying information and, in some cases, especially in Madras, by Government starting experiments in manufacture to demonstrate that certain industries can be carried on at a profit. Madras and other Provinces are incurring not inconsiderable expenditure for this purpose. The Hon'ble Pandit asked where that was shown in the Budget. It is quite true that it is not shown actually in the Account under that heading: it comes under the heading 'Scientific and Miscellaneous Departments' in the notes to the Budget. The Budget estimate under that head for 1915-16 exceeds the Revenue for the current year by 2·29 lakhs, the increase being mainly for the encouragement of industries in Madras and the Punjab. We do not consider that it would be wise to go further than this at the present time. I am of course aware that many Members of this Council consider that Government should provide capital on a liberal scale for persons who wish to start industries in India. This has not been Government's policy in the past, though in isolated cases and for special reasons Local Governments have from time to time given direct assistance of the kind to particular industries. I would put it to Council that this is not the moment, in the disturbed economic conditions resulting from a great war, for Government to depart from that policy. 12 lakhs sounds a small sum, but how is Government to be sure that expenditure will stop there? If the 12 lakhs of this year are swallowed up and the industries to which they have been handed over still do not flourish, will there not be larger demands in the next Budget or even earlier? We cannot say how long this war will last. So long as that uncertainty remains with us, it is only the commonest prudence to husband our resources and to hesitate over incurring fresh and undefined liabilities I appeal to any of the representatives of Commerce in this Council to say whether those are not the principles which in such circumstances are maintained by a soundly conducted business. I regret, therefore, that I cannot accept the resolution."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, the first objection of my Hon'ble friend that I have to meet is that I have not indicated where the money is to be found from, and he has put forward the bugbear of additional taxation to silence me. Now, Sir, while we all feel thankful to the Hon'ble the Finance Member for avoiding taxation at a time when there were temptations to resort to it, we must not forget that it became possible for him to avoid additional taxation because the Indian taxpayer has been paying heavily for the past many years. I will not here go into details. It has been pointed out over and over again that the standard at which taxation has been maintained for the past many years has been higher than what was really necessary. Even if it were otherwise, I do not think that my friend can be serious in suggesting that it would be necessary to incur additional taxation in order to provide 12 lakhs. I take a more correct, and if I may say so, a much more complimentary view of the finances of the Government of India, than to feel that to find a sum of 12 lakhs the Government will have to resort to additional taxation. That small sum could be found, if the Hon'ble the Finance Member decided to find it, without any serious dislocation of the other adjustments in the Budget. Then, I have given notice of a resolution that the provision for railways should be reduced by 25 lakhs. My object in doing so, was to meet the objection which has been urged by the Hon'ble Member for Commerce and Industry. I know that, yesterday, a Resolution to the same effect moved by the Hon'ble Mr. Dadabhoy, that the railway programme should be cut down by 50 lakhs was thrown out. And I know that every resolution will be thrown out unless the Government are prepared to

accept it. So I shall not be surprised if the same fate befalls my resolution asking for a reduction of 25 lakhs only in the railway programme. But at the same time I have no doubt that if the Government feel that on the merits of the case it is desirable to provide 12 lakhs to promote indigenous industies, the Hon'ble the Finance Member will not say that, even if no reduction is made in the railway programme, the money could not be found.

"As regards the merits of the question, I would invite the attention of the Hon'ble Member and of the Council to the fact that what we desire is to mark the beginning of a serious and systematic endeavour—the initiation by the Government of a principle and a policy of aiding indigenous industries, in order that the people should take heart for the future, and should feel that we shall not always continue to be exposed to the pitiable condition to which we have been found exposed during the present war, when even for glass bangles we have to depend on Austria and Germany, and the cessation of the imports of that petty article should make it impossible for the poor people who use it to find it in the market. That is a state of affairs, Sir, which is not complimentary to the Commerce and Industry Department of the Government of India. I understand—I have not got the figures here, but I understand—that the value of glass bangles imported during the last few years from Austria and Hungary was about 43 (or 65 ?) lakhs. Now I put forward a definite proposal. I put aside other articles of glass. Is it too much to ask that the Government of India should make up its mind to promote and aid the glass industry, wherever necessary, by money, by expert advice and in other ways, during the next twelve months, so as to enable it to produce some of the articles which used to be imported from the enemy country—at any rate under that one head ? There is any amount of facilities in this country for producing glass. There are some glass factories at work here. All that the Government has to do is to make up its mind to find out what it is that hampers the progress of the industry, what it is that is required to enable the people of this country to work it up successfully, and to give the necessary aid to the people in order to do so.

"My Hon'ble friend says this is not the time for us to ask for more money, because this is a period of war, and he appeals to the representatives of Commerce in the Council to support the view that this is not the time to embark on such expenditure as I propose. With due deference to my Hon'ble friend, I submit that this is particularly the time when such an effort should be made. War has thrown lots of our people out of employment; and if by the means I suggest, employment is provided for some people it would be a decided gain to the Government and the people.

"My Hon'ble friend also said that we should confine ourselves to the question that is before us and not go into the larger question of Government aid to indigenous industry. I am quite willing to do so; I thought I had done so. If I referred to the larger question it was only in order to show the necessity of the measure I recommend being adopted, and in order to show how small and modest is the proposal that I have put before the Government.

"In reply to my objection that no expenditure has been provided for in the present budget my Hon'ble friend referred me to page 75 of the Statement, where it is said that 2·29 lakhs have been provided mainly as 'enhanced provision for industrial experiments and for the encouragement of industries in Madras and the Punjab.' Technically my friend is right; but I thought if nothing else, the very smallness of the provision would make my Hon'ble friend hesitate to refer me to that as an answer to my resolution. That sum will undoubtedly be absorbed in some experiments and it is well that it should be. But what we want is 12 lakhs provided in order to see which of the many industries which it has become possible to encourage and foster during the present time could be most effectively pushed forward by the Government during the twelve months before us. I do not think I will be usefully taking

up the time of the Council by prolonging the discussion ; but I do hope the Government will see their way to accede to this demand, which has been supported by many Members and which will be supported by the country, and find the 12 lakhs for an experiment and a departure of a thoroughly beneficial character."

The Hon'ble Pandit Madan Mohan Malaviya then asked for a division and the Council divided as follows :—

Ayes—14.

1. The Hon'ble Mr. Ghuznavi.
2. The Hon'ble Pandit Madan Mohan Malaviya.
3. The Hon'ble Khan Bahadur Mir Asad Ali Khan.
4. The Hon'ble Sir Fazulbhoy Currimbhoy.
5. The Hon'ble Maharaja Ranajit Sinha of Nashipur.
6. The Hon'ble Maharaja M. C. Nandi of Kasimbazar.
7. The Hon'ble Raja of Mahmudabad.
8. The Hon'ble Mr. Huda.
9. The Hon'ble Rai Bahadur Sitanath Ray.
10. The Hon'ble Raja Kushalpal Singh.
11. The Hon'ble Raja Jai Chand.
12. The Hon'ble Mr. Dadabhoy.
13. The Hon'ble Sir G. M. Chitnavis.
14. The Hon'ble Mr. Abbott.

Noes—36.

1. His Excellency the Commander-in-Chief.
2. The Hon'ble Sir Robert Carlyle.
3. The Hon'ble Sir Ali Imam.
4. The Hon'ble Mr. Clark.
5. The Hon'ble Sir Reginald Craddock.
6. The Hon'ble Sir William Meyer.
7. The Hon'ble Mr. Hailey.
8. The Hon'ble Mr. Monteath.
9. The Hon'ble Mr. Cobb.
10. The Hon'ble Mr. Wood.
11. The Hon'ble Mr. Brunyate.
12. The Hon'ble Mr. Wheeler.
13. The Hon'ble Mr. Low.
14. The Hon'ble Mr. Sharp
15. The Hon'ble Mr. Porter.
16. The Hon'ble Mr. Kershaw.
17. The Hon'ble General Holloway.
18. The Hon'ble Mr. Michael.
19. The Hon'ble Surgeon-General Sir C. P. Lukis.
20. The Hon'ble Mr. Russell.
21. The Hon'ble Mr. Maxwell.
22. The Hon'ble Major Robertson.
23. The Hon'ble Mr. Kenrick.
24. The Hon'ble Mr. Kesteven.
25. The Hon'ble Sir William Vincent.
26. The Hon'ble Mr. Carr.
27. The Hon'ble Mr. Reid.
28. The Hon'ble Mr. Donald.
29. The Hon'ble Mr. Maude.
30. The Hon'ble Mr. McNeill.
31. The Hon'ble Lt.-Col. Brooke Blakeway.
32. The Hon'ble Mr. Maynard.
33. The Hon'ble Mr. Walker.
34. The Hon'ble Lt.-Col. Gurdon.
35. The Hon'ble Mr. Arbuthnot.
36. The Hon'ble Maung Mye.

The resolution was accordingly rejected.

RESOLUTION *RE* REDUCTION OF PROVISION FOR WORKING EXPENSES OF RAILWAYS.

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, I beg to move—

'That this Council recommends that the Budget allotment for the working expenses of Railways be reduced by R10,00,000.'

"I have listened with careful attention to the remarks of the Hon'ble Member for Commerce and Industry on this head in the statement that he has made. I propose to deal with some of the points which bear upon this resolution. In the first place the Hon'ble Member has claimed that over 66 lakhs less has been provided under ordinary working expenses. That is perfectly true, but I submit that that does not entitle the Department to any great credit, because the experience of this year has shown that when there is less traffic the working or operating expenses must necessarily be reduced. They expect less traffic during the coming year, and therefore they have budgeted for a smaller revenue. Necessarily they could not help reducing the operating and working expenses by the amount that they have done. But so far as the other expenses which fall under this head are concerned, namely, what my friend calls 'special expenditure', that is expenses for improvements, they stand on a different footing. My Hon'ble friend says that it has been found necessary for several years to keep up a normal programme of heavy renewals. I am glad that he does say so, because that is exactly what is supported by the figures, which have been provided for year after year in the Budget for working expenses. But this view somewhat militates against that portion of the speech of the Hon'ble the Finance Member where he said that 'We have found it necessary to make considerable additional provision for the improvement of the equipment of the railway lines which was represented to us to have fallen somewhat behind-hand in recent years, and to have become a pressing requirement.' I do not understand, Sir, how the equipment of the railway lines can be said to have fallen somewhat behind-hand in recent years and to have pressed itself upon the attention of the Finance Department as a pressing requirement this year, when, as the Hon'ble Mr. Clark rightly says, a normal programme of heavy renewals has been kept up for several years The history of the working expenses tells a somewhat different tale. We find that before the Railway Board came into existence, that is up to the year 1905, the working expenses averaged about 46 to 48 per cent of the gross receipts from railways. From 1905, when the Board was constituted, the proportion of its working expenses has been steadily going up. We find that in 1906 it rose to 46 or 46½; in 1907, it went up to 57·5; in 1908-09, to 62 per cent, and in 1910 to 55·3 per cent. We find also that in 1911-12, the gross receipts were 50 crores, 36 lakhs and odd, in 1912-13, 55 crores. The working expenses in 1911-12 amounted to 25 crores, 89 lakhs, in 1912-13 to 28 crores In 1913-14 they amounted to 29 crores, 35 lakhs, and in the revised estimates of 1914-15 they are shown as 29 crores, 63 lakhs; the Budget before us provides for 29 crores, 86 lakhs. It will thus appear that the working expenses have been growing steadily and enormously. I cannot therefore understand how it is that the Finance Department was persuaded this year that our equipment in this matter had somewhat fallen behind-hand in recent years. What I further submit, Sir, is that, in last year's Budget estimate provision was made for 29 crores and 74 lakhs, and the revised estimates show that only 29 crores, 63 lakhs could be utilized. If the provision of last year could not be fully utilized, partly owing, no doubt, to the operating expenses having been low, why add 24 lakhs this year to the working expenses? This is a year of deficit; we are faced with a special situation, and unless it can be shown that there is very great and pressing need for pushing up our equipment in this direction, this certainly does not seem to be a year when an extra sum of 24 lakhs should be added to the working expenses. There is another aspect of this question, Sir. The

working expenses of railways, as I have submitted, have been steadily growing since 1905, when the Railway Board came into existence; and as these expenses grow, they necessarily reduce the net profit derivable from the railways. That these profits have come to ·53 in the present year and that they are calculated to come to ·32 in the following year, is a matter which ought to put the Railway Board somewhat athinking on this question, ought to induce them to undertake a closer and more strict examination of the requirements of renewals than evidently they have been taking. The general public are entitled to see that the working expenses are not unnecessarily swollen. The railways have cost us a tremendous lot, and we are getting very, very small returns. In order that that return should not come to the vanishing point, it is essential that renewals should only be undertaken where they are actually necessary, and certainly not undertaken in a year when the returns from the railways, owing to the special circumstances of the year, are certain to be much poorer than they were last year. I therefore propose that the amount of working expenses should be reduced by 10 lakhs in the budget before us."

The Hon'ble Mr. Clark:—"Sir, the Hon'ble Member has been rather hard on the Railway Department, if he will permit me to say so. We are to have no credit for the reduction of 46 lakhs under ordinary expenditure, and we are to have a great deal of discredit for the increase of 70 lakhs under special expenditure.

"It is a very difficult matter to cut down ordinary expenditure merely because traffic falls off. A great proportion of the working expenses must be fixed expenses, such as wages of the staff, and you cannot largely reduce working costs merely because a few trains have been taken off. I think the Railways have done very well indeed to make such a big saving as has been secured. Then we come to special expenditure. I have already dealt with this matter in my speech introducing the Railway head of the Budget and I need not go over the same ground again. The Hon'ble Member has referred to the reasons which have led to the grant of a larger amount under this head. The main reason is that we have been getting behind-hand in renewals. It is true that in the last three or four years we have been spending larger sums than before, but we are still behind-hand, and it would be a very unwise policy to allow ourselves to get still more in arrears.

"It is very difficult to discuss these three resolutions without, to some extent, connecting them together. The first is that a sum of 12 lakhs should be provided for aiding and encouraging indigenous industries. The second is in effect that Government should neglect to take the steps which seem to them necessary for raising to an adequate pitch of efficiency their railways, by which the products of industries are carried to their markets. The third will have very much the same effect as the second. To my mind there is some significance in the accidental juxtaposition of the second resolution and the first. Hon'ble Members need not carry their minds very far back to recall the acute congestion on railways in the last 2 or 3 years and the complaints which arose on all sides in commercial circles. The injury done to trade was undeniable. A far greater degree of expansion might have been reached had our railways been more adequate to their task. I cannot accept all the blame for the railways. As Hon'ble Members know, the boom was a very sudden one which produced similar effects in nearly every country in the world. But at the same time our railway policy cannot be held to have been entirely free from blame. We had not in the past pursued with sufficient vigour the policy of improving open lines; renewals had been postponed; expenditure had been cut down, and when this great improvement in trade came, I am afraid it cannot be denied that our railways were not as efficient as they should have been. Latterly we have pursued a policy of steady and continued improvement. I have not the faintest doubt that we are right in so doing and that we are acting in the best economic interests of India. It is one of the matters on which I look back with the greatest satisfaction, now that my five years in India are drawing to a close, that I shall leave our railways in a fair way to have drawn level with the demands which may reasonably be expected to be

made upon them. But this result has not yet been achieved, and if we were to accept the Hon'ble Member's proposal and reduce the present budget allotment, I can think of no more certain way of preventing, or at least postponing, its realisation. I am afraid in these circumstances I cannot agree to the resolution."

The Hon'ble Pandit Madan Mohan Malaviya:—"I think, Sir, that the Hon'ble Member should not consider the remarks that I made in the light in which he has taken them; he should not think that I want to keep back from the Railway Board the credit that is due to them for what they have done, or to throw any discredit upon them for what they have not done. We are dealing with a business proposition; the Railway Department of the Government of India is a business Department, and we have to look at the matter from a business point of view. The fact that the ordinary working expenses have been reduced this year has been noted in the statement before us. I have no doubt that every Department deserves credit, but when we point out that something more might have been done, in the way of reduction, for keeping down expenditure so far as it thought it fit to do, we do it not in a spirit of carping but in order that our business should be better attended to and, if possible, better promoted. We have to face the fact that railway working expenses have from 1905 onwards been steadily growing, and that they have grown from 46 per cent to 51 or 52 per cent, and the further fact that during these many years heavy renewals have been made year after year. The coming year will be a bad year for profits, and it therefore seems to me proper that the programme of working expenses, *i.e.*, of renewals, might well be reduced by 10 lakhs. My Hon'ble friend has spoken in a manner that would show that my proposal would put a stop to all renewals, That certainly is not so. When you provide for nearly 30 crores for working expenses of railways, a reduction in these expenses of a sum of 10 lakhs cannot much hamper your work, but it will serve to show that there is a willingness, an earnest desire on the part of the Department to show that they will do with a lesser amount when they can. I would not take up more time. I fear that proposals put forward by non-officials members do not receive the consideration which might be shown to them. The programme of expenditure in the different departments is fixed by the Finance Department, in consultation with the various Departments of the Government of India; non-official members are not even informed what is proposed to be done until the financial statement is made; the whole matter is arranged, decided on, and it seems unalterably fixed, when it comes before us for discussion. We put forward some suggestions, some may not be exactly right from the Government point of view; it may be that the Government is generally right, but it is difficult to believe that the Government Departments are always right, precisely to the pie, in the allotments that they have fixed for all the various items in the Budget. When the Government are pleased to give non-official Members an opportunity of putting forward suggestions, it does seem hard that they should not be able to see their way of accepting any suggestion for a change in the Budget."

The resolution was put and rejected.

RESOLUTION *RE* REDUCTION OF CAPITAL EXPENDITURE ON RAILWAYS.

The Hon'ble Pandit Madan Mohan Malaviya :—"The last Resolution, Sir, was a consequential Resolution, the object of which was to suggest to the Government how money for the different proposals which I have put forward might be found. As those proposals have been rejected, I do not press this Resolution, namely :—

'That this Council recommends that the Budget provision for capital expenditure on Railways be reduced by R25,00,000.'

The resolution was by leave withdrawn.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir Reginald Craddock:—"The main heads with which the Home Department are concerned, though most important in themselves, represent the ordinary administrative machinery of the country. They include General Administration, Law and Justice, including Courts of Law and Jails, Police, Medical as apart from Sanitation, and Registration.

"The variations in the figures are explained in the Financial Statements. No resolutions are being moved in regard to any of them, and they have apparently evoked no criticism from Hon'ble Members of this Council.

"We had hoped that in ordinary circumstances, the current year would have seen the promised Jail Commission at work, examining our prison system; but, as in many other cases, the War has obliged us to postpone this inquiry for the present. I regret exceedingly that this has been necessary, for I had great hopes that much good would result from such an inquiry for which the time had become ripe. The subject was also one in which many Hon'ble Members have taken much interest. We may hope that the postponement will be a short one, though it is impossible now to make any forecast of the probable date at which the matter will be again taken up.

"Under Courts of Law, the buildings for the new High Court at Patna are nearing completion; the question of strength, personnel and establishment, is under elaboration, while, as the Council is aware, the question of converting the Chief Court at Lahore into a High Court is before the Secretary of State.

"Under Police there is, and must be, as I indicated last year, continuous expansion. Constables must be paid a living wage and it has been found necessary, in some provinces, to increase the pay also of the head constables, while the general scheme of reform following on the Police Commission's recommendations still forms a continuous process.

"I desire once more, on behalf of the Government of India, to give a tribute of praise to the officers and men of the Indian Police. I do not think that India ever properly recognises what she owes to the police. The few cases of serious misconduct that occur—and I am glad to say that they have been becoming fewer each year—are magnified out of all proportion to their numerical importance, while all the excellent work that the police do is for the most part unnoticed or ignored. It falls to me to see many judgments of the higher criminal courts every year, and I can testify to the number of cases in which the work of the police has been pronounced to be good and honest and, in many cases, specially commended, while condemnation is exceedingly rare.

"As I pointed out last year, with the development of the country, police work is daily becoming harder and not easier, and the force requires a degree of support and co-operation from the public which it does not yet receive. If accused persons are acquitted on the benefit of a doubt it is rashly assumed that they ought not to have been prosecuted. Cases in which the Courts find themselves able to say that the accused ought not to have been prosecuted are exceedingly rare. In no country in the world are all the persons sent up for trial convicted. It is the function of the police to lay evidence before the Courts in cases where there is *primâ facie* evidence and not to arrogate to themselves a decision. If prosecutions fail, how often can it be said that it is the fault of the police? How often may it not be due to the indifference of the public? I repeat once more that if the police is to cope successfully with the increasing volume of the crime of the country, they require the fullest sympathy and encouragement."

The Hon'ble Sir William Meyer:—"Sir, I beg to introduce the following heads of the Financial Statement for 1915-16.

As regards Revenue :—

Opium.	Receipts in Aid of Superannuation.
Interest.	Exchange.
Mint.	Miscellaneous.

As regards Expenditure : —

Refunds.	Mint.
Opium.	Civil, Furlough and Absentee Allowances.
Stamps.	Superannuation Allowances and Pensions.
Assessed Taxes.	Exchange.
Interest on Obligations other than the Public Debt.	Miscellaneous.
	Reduction or Avoidance of Debt.

"I need add nothing to the comments and explanations already given in regard to these items in my speech introducing the Financial Statement and in the Secretary's supplementary Memorandum."

The Hon'ble the Vice-President:—"The Council will now adjourn till Wednesday, the 17th March, at 11 o'clock."

W. H. VINCENT,

Secretary to the Government of India,
Legislative Department.

DELHI;

The 17th March, 1915.

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1915-16.

I rise to present the Budget of the Government of India for 1915-16. The preliminary estimates which I laid before the Council on the 2nd March have been revised in the light of our latest information. The Financial Secretary's explanatory memorandum has also been checked and brought up to date.

2. The final figures of the Revised estimate for 1914-15 and of the Budget estimate for 1915-16 are given in the statements which I have to-day laid before the Council. The broad results of the revenue account are brought out in the table below, the figures in brackets, now superseded, being those given in the corresponding tables appearing in paragraphs 24 and 39 of my speech introducing the Financial Statement :—

[In millions of £]

	Budget, 1914-15.			Revised, 1914-15.			Budget, 1915-16.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue . .	54·237	30·842	85·079	49·929 (49·927)	30·228 (30·229)	80·157 (80·156)	49·650 (49·655)	30·750 (30·692)	80·400 (80·347)
Expenditure . .	52·981	34·048	87·029	52·715 (52·669)	32·483 (32·446)	85·198 (85·115)	52·607 (52·425)	31·828 (31 755)	84·435 (84·180)
Surplus (+) or deficit (—).	+1·256	—3·206	—1·950	—2·786 (—2·742)	—2·255 (—2·217)	—5·041 (—4·959)	—2·957 (—2·770)	—1·078 (—1·063)	—4·035 (—833)

The alterations which have been made in the figures of the Financial Statement are not important and can be very briefly explained.

3. The effect of our corrections in the Revised estimate for the current year is to increase the Imperial deficit previously announced by £44,000, and the Provincial deficit by £38,000. The Land Revenue is not coming in quite so rapidly as we anticipated in Burma and Madras. We have also had to allow, under the new adjusting head for transfers between Imperial and Provincial, for the grant of £67,000 (10 lakhs) to the Calcutta University, for hostels, which was announced by Your Excellency a few days ago at Calcutta. On the other hand, the Salt revenue has been increased by further advance payments of duty in February, and the latest figures indicate an increase of Customs receipts under silver and petroleum. The net effect of these changes is to leave the total revenue, whether Imperial or Provincial, almost unchanged, and the slight increase in the deficit of the year to which I have already referred is due to minor variations in the expenditure figures.

4. As regards the Budget of next year, the effect of the changes made is to raise the Imperial deficit by £187,000 and the Provincial deficit by £15,000. Here again, there is very little change on the Revenue side. Under Land Revenue we allow for some increase of arrear collections (£42,000 more under Imperial and £58,000 more under Provincial) in view of the short collections at the end of the current year. But this is counterbalanced, in the case of Imperial revenues, by a reduction of our anticipated Salt revenue in consequence of the higher figure taken for advance payments in the current year. An increase of £182,000 under Imperial expenditure is almost wholly explained by our having been obliged to raise the total net grant for Military Services by £169,000 as the result of increased expenditure now advised by the Secretary of State in England owing mainly to a rise in the prices of military stores. On the Provincial side the total allotment for expenditure has been raised by £73,000. This represents in the main the provincial outlay involved in the transfer to the Calcutta University of the grant of £67,000 for hostels already referred to, which in the current year is treated as a provincial receipt.

5. Turning now to Ways and Means, we expect the total cash balance, in England and India, at the end of the current year to be some £288,000 higher than the figure taken in the Financial Statement. This is due to recoveries from the War Office being effected more promptly than we had anticipated, and to larger outstandings of Council Bills. We must expect, however, to lose this temporary addition to our resources during 1915-16. In addition, we have to finance the slightly larger Imperial and Provincial deficits which I have just explained. On the whole, therefore, we expect the closing balance on the 31st March 1916 to be about £235,000 less than we anticipated in the Financial Statement, but this relatively slight divergence does not require any modification of our previous arrangements.

6. A larger share (to the extent of some £700,000 more) of the lump provision of £8 million for Railway capital outlay is now expected to be incurred in India; and the effect of this, with other minor variations, is that we now estimate that we can meet the Secretary of State's actual remittance requirements in 1915-16 by the sale of £7·1 million of Council Bills, *i.e.*, some £600,000 less than the amount previously allowed for.

W. S. MEYER.

The 22nd March 1915.

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1915.

ACCOUNTS	1913-14
REVISED ESTIMATES	1914-15
BUDGET ESTIMATES	1915-16

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I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	21,391,575	21,674,100	21,056,300	22,149,600
Opium	„	1,624,878	1,839,100	1,566,100	1,798,000
Salt	„	3,445,305	3,436,900	3,772,000	3,335,400
Stamps	„	5,318,293	5,371,600	5,045,300	5,107,100
Excise	„	8,894,300	9,161,900	8,809,100	8,790,300
Customs	„	7,558,220	7,236,800	6,366,200	5,943,000
Other Heads	„	5,496,175	5,337,300	5,143,700	5,151,000
TOTAL PRINCIPAL HEADS	...	53,728,746	54,057,700	51,758,700	52,274,400
Interest	A	1,352,119	1,376,000	1,021,600	1,057,100
Posts and Telegraphs	„	3,598,519	3,732,400	3,519,300	3,579,200
Mint	„	339,841	249,800	57,900	71,300
Receipts by Civil Departments	„	1,408,286	1,437,300	1,483,500	1,534,000
Miscellaneous	„	772,579	731,700	759,600	583,200
Railways: Net Receipts	„	17,625,634	17,329,700	15,268,300	15,029,300
Irrigation	„	4,713,159	4,559,300	4,706,600	4,795,300
Other Public Works	„	298,640	239,400	266,400	256,100
Military Receipts	„	1,369,652	1,366,100	1,315,700	1,220,300
TOTAL REVENUE	...	85,207,175	85,079,400	80,157,600	80,400,200
DEFICIT	...	...	...	2,785,800	2,957,100
TOTAL	...	85,207,175	85,079,400	82,943,400	83,357,300

DELHI,
FINANCE DEPARTMENT,
March 22, 1915.

R. A. GAMBLE,
Comptroller-General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,274,597	9,341,000	9,018,600	9,539,300
Interest	„	1,515,653	1,607,800	1,480,900	1,476,100
Posts and Telegraphs	„	3,272,984	3,350,000	3,290,100	3,294,400
Mint	„	132,630	104,300	139,400	102,000
Salaries and Expenses of Civil Departments	„	17,934,199	19,793,000	18,938,800	19,207,800
Miscellaneous Civil Charges	„	5,403,804	5,449,700	5,400,500	5,120,400
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	12,836,101	13,409,000	13,354,700	13,839,500
Irrigation	„	3,531,867	3,651,400	3,742,400	3,650,800
Other Public Works	„	7,010,038	7,456,500	7,010,600	5,815,100
Military Services	„	21,265,765	21,866,100	21,822,400	21,389,500
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	83,177,638	87,028,800	85,198,400	84,434,900
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	325,692	...	...	...
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*608,578*	*3,205,900*	*2,255,000*	*1,077,600*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	82,894,752	83,822,900	82,943,400	83,357,300
SURPLUS	...	2,312,423	1,256,500	...	...
TOTAL	...	85,207,175	85,079,400	82,943,400	83,357,300

H. F. HOWARD,
Controller of Currency.

J. B BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Surplus	C	2,312,423	1,256,500	...	...
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	„	34,667	816,600	2,367,500	6,533,300
Capital contributed by Native States towards construction of State Railways	„	200,000	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net)	„	4,717,480	888,100	2,044,000	320,600
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	118,200	7,274,600	2,727,200	2,008,700
Temporary Debt (net incurred)	„	...	...	14,333,300	...
Unfunded Debt (net incurred)	„	2,201,970	1,772,100	...	...
Deposits and Advances (net)	„	67,762	...	...	...
Loans and Advances by Imperial Government (net Repayments)	„	213,183	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	„	...	62,200	...	405,000
Loans to Local Boards for Railway Construction	„	7,124	7,400	7,400	7,700
Remittances (net)	„	...	...	...	705,700
Secretary of State's Bills drawn	„	29,050,827	20,000,000	6,900,000	7,100,000
TOTAL RECEIPTS	...	38,923,636	32,144,200	28,446,100	17,147,700
Opening Balance—India	...	19,293,131	14,707,131	15,608,253	13,855,353
England	...	(a) 9,789,634	(a) 7,457,034	(a) 8,157,732	(a) 7,620,132
TOTAL	...	68,006,401	54,308,365	52,212,085	38,623,185

(a) Include balances of the Gold Standard Reserve as shown

R. A. GAMBLE,
Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 22, 1915.

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Deficit	C	...	...	2,785,800	2,957,100
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	"	1,282,262	1,200,000	1,163,100	1,100,000
Outlay on State Railways	"	10,483,200	10,472,700	10,550,700	7,637,700
Initial outlay on new Capital at Delhi	"	447,134	666,700	363,400	266,700
Outlay of Railway Companies (net)	"	2,002,303	1,865,600	1,482,100	683,700
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	14,214,899	14,205,000	13,559,300	9,688,100
Debt, Deposits and Advances—					
Unfunded Debt (net Discharged)	C	...	...	5,070,900	219,900
Deposits and Advances (net)	"	...	2,583,900	415,700	1,894,100
Loans and Advances by Imperial Government (net Advances)	"	...	238,700	4,700	153,700
Loans and Advances by Provincial Governments (net Advances)	"	797,937	...	131,600	...
Remittances (net)	"	176,823	6,200	2,111,400	...
Secretary of State's Bills paid	"	29,050,757	20,000,000	6,657,200	7,260,000
TOTAL DISBURSEMENTS	...	44,240,416	37,033,800	30,736,600	22,172,900
Closing Balance—India	...	15,608,253	12,378,031	13,855,353	12,433,253
England	...	(a) 8,157,732	(a) 4,896,534	(a) 7,620,132	(a) 4,017,032
TOTAL	...	68,006,401	54,308,365	52,212,085	38,623,185

(a) See the notes on pages 100 and 101.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	21,391,575	...	**21,391,575**	10,384,600	11,006,975	21,056,300	...
II.—Opium	1,624,878	...	**1,624,878**	1,624,878	...	1,566,100	...
III.—Salt	3,445,305	...	**3,445,305**	3,445,305	...	3,772,000	...
IV.—Stamps	5,318,293	...	**5,318,293**	2,709,789	2,608,504	5,045,300	...
V.—Excise	8,894,300	...	**8,894,300**	2,498,883	6,395,417	8,809,100	...
VI.—Provincial Rates	180,210	...	**180,210**	398	179,812	37,100	...
VII.—Customs	7,558,220	...	**7,558,220**	7,558,220	...	6,366,200	...
VIII.—Assessed Taxes	1,950,250	...	**1,950,250**	1,068,870	881,380	2,008,700	...
IX.—Forest	2,229,872	...	**2,229,872**	74,196	2,155,676	1,998,500	...
X.—Registration	518,962	...	**518,962**	6,418	512,544	492,300	...
XI.—Tributes from Native States	616,881	...	**616,881**	616,881	...	607,100	...
TOTAL	53,728,746	...	**53,728,746**	29,988,438	23,740,308	51,758,700	...
XII.—Interest	1,032,754	319,365	**1,352,119**	1,067,516	284,603	839,100	182,500
XIII.—Posts and Telegraphs	3,593,734	— 4,785	**3,598,519**	3,598,519	...	3,509,500	9,800
XV.—Mint	339,777	64	**339,841**	339,841	...	57,900	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	373,791	...	**373,791**	19,220	354,571	405,600	...
XVI.—Law and Justice { Jails	288,448	...	**288,448**	31,236	257,212	291,700	...
XVII.—Police	130,339	...	**130,339**	3,909	126,430	132,200	...
XVIII.—Ports and Pilotage	153,609	...	**153,609**	...	153,609	138,900	...
XIX.—Education	247,905	...	**247,905**	5,853	242,052	258,800	...
XX.—Medical	79,712	676	**80,388**	1,271	79,117	86,200	700
XXIA.—Agriculture	65,897	...	**65,897**	8,861	57,036	65,500	...
XXIB.—Scientific and Miscellaneous Departments	66,947	962	**67,909**	10,473	57,436	103,000	900
TOTAL	1,406,648	1,638	**1,408,286**	80,823	1,327,463	1,481,900	1,600
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	144,941	61,869	**206,810**	150,968	55,842	158,100	49,200
XXIII.—Stationery and Printing	93,416	...	**93,416**	41,556	51,860	98,300	...
XXIV.—Exchange	119,741	...	**119,741**	119,741	...	71,700	...
XXV.—Miscellaneous	311,901	40,711	**352,612**	154,504	198,108	368,600	13,700
TOTAL	669,999	102,580	**772,579**	466,769	305,810	696,700	62,900
Railways—							
XXVI.—State Railways (Gross Receipts)	37,545,905	230	**37,546,135**	37,537,881	8,254	35,639,300	400
Deduct :—Working Expenses	*19,572,745*	...	*19,572,745*	*19,566,778*	*5,967*	*19,754,700*	...
Surplus profits paid to Companies, etc.	*440,857*	...	*440,857*	*440,857*	...	*685,700*	...
Net Receipts	17,532,303	230	**17,532,533**	17,530,246	2,287	15,198,900	400
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	16,331	76,770	**93,101**	93,101	...	21,700	47,300
TOTAL	17,548,634	77,000	**17,625,634**	17,623,347	2,287	15,220,600	47,700
Irrigation—							
XXIX.—Major Works: Direct Receipts	2,765,966	...	**2,765,966**	1,161,457	1,604,509	2,750,200	...
Portion of Land Revenue due to Irrigation	1,684,374	...	**1,684,374**	910,519	773,855	1,697,200	...
XXX.—Minor Works and Navigation	262,819	...	**262,819**	101,642	161,177	259,200	...
TOTAL	4,713,159	...	**4,713,159**	2,173,618	2,539,541	4,706,600	...
Other Public Works—							
XXXI.—Civil Works	298,640	...	**298,640**	45,920	252,720	266,400	...
Military Receipts—							
XXXII.—Army: Effective	765,604	315,027	**1,080,631**	1,080,631	...	710,900	320,100
Non-Effective	86,716	36,159	**122,875**	122,875	...	85,500	35,000
	852,320	351,186	**1,203,506**	1,203,506	...	796,400	355,100
XXXIII.—Marine	89,542	...	**89,542**	89,542	...	89,200	...
XXXIV.—Military Works	76,604	...	**76,604**	76,604	...	75,000	...
TOTAL	1,018,466	351,186	**1,369,652**	1,369,652	...	960,600	355,100
Transfers between Imperial and Provincial Revenues	...	...	...	—2,536,386	+ 2,536,386	...	...
TOTAL REVENUE	84,350,557	856,618	**85,207,175**	54,218,057	30,989,118	79,498,000	659,600

India, in India and in England.

ESTIMATE, 1914-1915.				BUDGET ESTIMATE, 1915-1916.						
	DISTRIBUTION OF TOTAL BETWEEN						DISTRIBUTION OF TOTAL BETWEEN			
TOTAL.	Imperial.	Provincial.	Increase + Decrease — as compared with Budget Estimate, 1914-1915.	India.	England.	TOTAL.	Imperial.	Provincial.	Increase + Decrease — of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease — of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
£	£	£	£	£	£	£	£	£	£	£
21,056,300	10,286,400	10,769,900	—617,800	22,149,600	...	**22,149,600**	10,832,400	11,317,200	+475,500	+1,093,300
1,566,100	1,566,100	...	—273,000	1,798,000	...	**1,798,000**	1,798,000	...	—41,100	+231,900
3,772,000	3,772,000	...	+235,100	3,335,400	...	**3,335,400**	3,335,400	...	—101,500	—436,600
5,045,300	2,571,200	2,474,100	—326,300	5,107,100	...	**5,107,100**	2,602,000	2,505,100	—264,500	+61,800
8,809,100	2,489,700	6,319,400	—352,800	8,790,300	...	**8,790,300**	2,457,400	6,332,900	—371,600	—18,800
37,100	400	36,700	+6,800	30,600	...	**30,600**	200	30,400	+300	—6,500
6,366,200	6,366,200	...	—870,600	5,943,000	...	**5,943,000**	5,943,000	...	—1,293,800	—423,200
2,008,700	1,103,000	905,700	+128,300	1,878,300	...	**1,878,300**	1,036,400	841,900	—2,100	—130,400
1,998,500	55,800	1,942,700	—295,500	2,115,800	...	**2,115,800**	62,400	2,053,400	—178,200	+117,300
492,300	6,200	486,100	—31,000	513,000	...	**513,000**	6,100	506,900	—10,300	+20,700
607,100	607,100	...	—2,200	613,300	...	**613,300**	613,300	...	+4,000	+6,200
51,758,700	28,824,100	22,934,600	—2,299,000	52,274,400	...	**52,274,400**	28,686,600	23,587,800	—1,783,300	+515,700
1,021,600	700,500	321,100	—354,400	884,900	172,200	**1,057,100**	703,300	353,800	—318,900	+35,500
3,519,300	3,519,300	...	—213,100	3,498,900	80,300	**3,579,200**	3,579,200	...	—153,200	+59,900
57,900	57,900	...	—191,900	71,300	...	**71,300**	71,300	...	—178,500	+13,400
405,600	33,500	372,100	+8,900	408,900	...	**408,900**	34,200	374,700	+12,200	+3,300
291,700	29,000	262,700	+4,600	304,200	...	**304,200**	28,900	275,300	+17,100	+12,500
132,200	4,900	127,300	+5,100	140,100	...	**140,100**	4,900	135,200	+13,000	+7,900
138,900	...	138,900	—18,800	150,900	...	**150,900**	...	150,900	—6,300	+12,000
258,800	6,700	252,100	+2,700	274,900	...	**274,900**	6,400	268,500	+18,800	+16,100
86,900	1,300	85,600	+8,500	86,300	600	**86,900**	1,200	85,700	+8,500	...
65,500	7,700	57,800	—3,600	71,300	...	**71,300**	9,400	61,900	+2,200	+5,800
103,900	12,800	91,100	+38,300	95,900	900	**96,800**	10,900	85,900	+31,200	—7,100
1,483,500	95,900	1,387,600	+46,200	1,532,500	1,500	**1,534,000**	95,900	1,438,100	+96,700	+50,500
207,300	143,900	63,400	+2,700	155,800	34,000	**189,800**	127,400	62,400	—14,800	—17,500
98,300	45,200	53,100	+8,300	96,000	...	**96,000**	43,700	52,300	+6,000	—2,300
71,700	71,700	...	+5,000	...	...	...	...	...	—66,700	—71,700
382,300	207,200	175,100	+11,900	283,400	14,000	**297,400**	115,900	181,500	—73,000	—84,900
759,600	468,000	291,600	+27,900	535,200	48,000	**583,200**	287,000	296,200	—148,500	—176,400
35,639,700	35,632,100	7,600	—2,094,000	35,341,300	400	**35,341,700**	35,333,700	8,000	—2,392,000	—298,000
19,754,700	*19,747,600*	*7,100*	+72,000	*19,913,100*	...	***19,913,100***	*19,906,700*	*6,400*	—86,400	—158,400
685,700	*685,700*	...	—44,000	*488,200*	...	***488,200***	*488,200*	...	+153,500	+197,500
15,199,300	15,198,800	500	—2,066,000	14,940,000	400	**14,940,400**	14,938,800	1,600	—2,324,900	—258,900
69,000	69,000	...	+4,600	21,400	67,500	**88,900**	88,900	...	+24,500	+19,900
15,268,300	15,267,800	500	—2,061,400	14,961,400	67,900	**15,029,300**	15,027,700	1,600	—2,300,400	—239,000
2,750,700	1,120,300	1,629,900	+88,500	2,769,200	...	**2,769,200**	1,175,800	1,593,400	+107,500	+19,000
1,697,200	917,000	780,200	+75,800	1,742,900	...	**1,742,900**	940,500	802,400	+121,500	+45,700
259,200	89,500	169,700	—17,000	283,200	...	**283,200**	105,300	177,900	+7,000	+24,000
4,706,600	2,126,800	2,579,800	+147,300	4,795,300	...	**4,795,300**	2,221,600	2,573,700	+236,000	+88,700
266,400	45,000	221,400	+27,000	256,100	...	**256,100**	42,200	213,900	+16,700	—10,300
1,031,000	1,031,000	...	—38,500	662,900	301,700	**964,600**	964,600	...	—104,900	—66,400
120,500	120,500	...	—2,300	83,500	27,000	**110,500**	110,500	...	—12,300	—10,000
1,151,500	1,151,500	...	—40,800	746,400	328,700	**1,075,100**	1,075,100	...	—117,200	—76,400
89,200	89,200	...	—4,600	68,200	...	**68,200**	68,200	...	—25,600	—21,000
75,000	75,000	...	—5,000	77,000	...	**77,000**	77,000	...	—3,000	+2,000
1,315,700	1,315,700	...	—50,400	891,600	328,700	**1,220,300**	1,220,300	...	—145,800	—95,400
...	—2,491,800	+2,491,800	...	...	...	...	—2,285,100	+2,285,100	...	...
80,157,600	49,929,200	30,228,400	—4,921,800	79,701,600	698,600	**80,400,200**	49,650,000	30,750,200	—4,679,200	+242,600

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	336,142	...	**336,142**	226,418	109,724	377,900	...
2.—Assignments and Compensations	1,241,101	...	**1,241,101**	548,566	692,535	1,276,500	...
Charges in respect of Collection, *viz.* :—							
3.—Land Revenue	3,984,693	1,729	**3,986,422**	293,917	3,692,505	3,954,100	1,800
4.—Opium (including cost of Production)	1,011,696	744	**1,012,440**	1,012,440	...	657,200	600
5.—Salt (including cost of Production)	364,580	793	**365,373**	365,373	...	367,100	1,500
6.—Stamps	66,598	106,545	**173,143**	92,182	80,961	52,700	61,000
7.—Excise	437,433	96	**437,529**	140,082	297,447	462,200	400
9.—Customs	260,818	434	**261,252**	261,252	...	268,600	600
10.—Assessed Taxes	31,254	...	**31,254**	15,748	15,506	33,000	...
11.—Forest	1,169,575	4,913	**1,174,488**	76,146	1,098,342	1,237,100	4,700
12.—Registration	255,453	...	**255,453**	1,832	253,621	261,600	...
Total	9,159,343	115,254	**9,274,597**	3,033,956	6,240,641	8,948,000	70,600
Interest—							
13.—Interest on Debt	3,421,622	5,912,796	**9,334,418**	8,452,492	881,926	3,673,300	6,078,000
Deduct—Amounts chargeable to Railways†	*3,596,912*	*3,706,233*	***7,303,145***	*7,303,145*	...	*4,007,500*	*3,635,000*
„ Amounts chargeable to Irrigation	*1,186,167*	*118,679*	***1,304,840***	*642,590*	*662,256*	*1,246,000*	*120,600*
Remainder chargeable on Ordinary Debt	−1,361,457	2,087,884	**726,427**	506,757	219,670	−1,580,200	2,322,400
14.—Interest on other obligations	789,226	...	**789,226**	789,226	...	738,700	...
Total	−572,231	2,087,884	**1,515,653**	1,295,983	219,670	−841,500	2,322,400
15.—Posts and Telegraphs	3,005,156	267,828	**3,272,984**	3,272,984	...	3,070,300	219,800
17.—Mint	122,066	10,564	**132,630**	132,630	...	129,900	9,500
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,593,108	390,539	**1,983,647**	1,108,784	874,863	1,661,300	408,700
19.—Law and Justice { Courts	3,088,001	159	**3,088,160**	75,581	3,012,579	3,287,700	1,300
19.—Law and Justice { Jails	982,746	157	**982,903**	131,893	851,010	1,009,300	...
20.—Police	4,863,360	1,630	**4,864,990**	244,764	4,620,226	5,239,400	1,200
21.—Ports and Pilotage	204,426	200	**204,626**	200	204,426	212,600	100
22.—Education	3,166,426	10,383	**3,176,809**	120,566	3,056,243	3,231,400	10,300
23.—Ecclesiastical	127,564	148	**127,712**	127,712	...	127,300	400
24.—Medical	1,329,616	8,319	**1,337,935**	138,561	1,199,374	1,533,400	6,400
25.—Political	1,144,044	15,146	**1,159,190**	917,642	241,548	1,130,100	24,000
26A.—Agriculture	533,682	1,257	**534,939**	83,991	450,948	568,000	2,500
26B.—Scientific and Miscellaneous Departments	439,759	33,529	**473,288**	339,537	133,751	443,300	40,100
Total	17,472,732	461,467	**17,934,199**	3,289,231	14,644,968	18,443,800	495,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	209,531	11,189	**220,720**	220,720	...	205,800	10,500
28.—Civil Furlough and Absentee Allowances	1,280	450,326	**451,606**	451,606	...	900	360,000
29.—Superannuation Allowances and Pensions	1,344,840	2,054,647	**3,399,487**	2,167,018	1,232,469	1,443,900	2,058,000
30.—Stationery and Printing	624,448	105,308	**729,756**	214,117	515,639	647,800	118,100
32.—Miscellaneous	555,875	46,360	**602,235**	346,334	255,901	402,500	152,900
Total	2,735,974	2,667,830	**5,403,804**	3,399,795	2,004,009	2,700,900	2,699,600
Famine Relief and Insurance—							
33.—Famine Relief	157,511	...	**157,511**	157,511	...	289,900	...
34.—Construction of Protective Railways	7,835	741	**8,576**	8,576	...	−1,500	...
35.—Construction of Protective Irrigation Works	475,267	16,157	**491,424**	491,424	...	482,500	19,000
36.—Reduction or Avoidance of Debt	342,489	...	**342,489**	92,489	250,000	210,100	...
Total	983,102	16,898	**1,000,000**	750,000	250,000	981,000	19,000
Carried over	32,906,142	5,627,725	**38,533,867**	15,174,579	23,359,288	33,432,400	5,835,900

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.		
	India.	England.	Total.	India.	England.	Total.
†Included under the following heads :—	£	£	£	£	£	£
State Railways—Interest on Debt	3,357,109	3,530,733	**6,887,842**	3,991,100	3,553,800	**7,544,900**
Ditto —Interest chargeable against Companies on Advances	239,803	175,500	**415,303**	16,400	81,200	**97,600**
Total	3,596,912	3,706,233	**7,303,145**	4,007,500	3,635,000	**7,642,500**

Revenues of India, in India and in England.

ESTIMATE, 1914-1915.			Increase + Decrease — as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease — of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease — of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
377,900	268,400	109,500	+68,300	316,500	...	**316,500**	220,400	96,100	+6,900	−61,400
1,276,500	560,400	716,100	+38,400	1,286,200	...	**1,286,200**	563,700	722,500	+48,100	+9,700
3,955,900	317,100	3,638,800	−227,300	4,121,400	1,300	**4,122,700**	342,100	3,780,600	−60,500	+166,800
657,800	657,800	...	−600	912,500	400	**912,900**	912,900	...	+254,500	+255,100
368,600	368,600	...	−22,700	390,100	900	**391,000**	391,000	...	−300	+22,400
113,700	42,000	71,700	−37,900	59,200	92,000	**151,200**	76,400	74,800	−400	+37,500
462,600	144,600	318,000	−23,900	491,900	200	**492,100**	153,600	338,500	+5,600	+29,500
269,200	269,200	...	−4,300	275,500	300	**275,800**	275,800	...	+2,300	+6,600
33,000	16,800	16,200	+500	34,500	...	**34,500**	17,500	17,000	+2,000	+1,500
1,241,800	82,900	1,158,900	−106,500	1,287,400	4,900	**1,292,300**	96,800	1,195,500	−56,000	+50,500
261,600	1,900	259,700	−6,400	264,100	...	**264,100**	1,800	262,300	−3,900	+2,500
9,018,600	2,729,700	6,288,900	−322,400	9,439,300	100,000	**9,539,300**	3,052,000	6,487,300	+198,300	+520,700
9,751,300	8,833,200	918,100	+175,900	3,926,700	6,092,300	**10,019,000**	9,086,900	932,100	+443,600	+267,700
7,642,500	*7,642,500*	...	−251,300	*4,099,400*	*3,666,300*	***7,765,700***	*7,765,700*	...	−374,500	−123,200
1,366,600	*684,600*	*682,000*	−1,800	*1,301,100*	*122,200*	***1,423,300***	*722,400*	*700,900*	−58,500	−56,700
742,200	506,100	236,100	−77,200	−1,473,800	2,303,800	**830,000**	598,800	231,200	+10,600	+87,800
738,700	738,700	...	−49,700	646,100	...	**646,100**	646,100	...	−142,300	−92,600
1,480,900	1,244,600	236,100	−126,900	−827,700	2,303,800	**1,476,100**	1,244,900	231,200	−131,700	−4,800
3,290,100	3,290,100	...	−59,900	3,127,300	167,100	**3,294,400**	3,294,400	...	−55,600	+4,300
139,400	139,400	...	+35,100	94,700	7,300	**102,000**	102,000	...	−2,300	−37,400
2,070,000	1,154,600	915,400	+68,800	1,654,300	365,200	**2,019,500**	1,105,400	914,100	+18,300	−50,500
3,289,000	87,000	3,202,000	+148,600	3,312,300	700	**3,313,000**	82,700	3,230,300	+172,600	+24,000
1,009,300	138,000	871,300	+49,700	1,009,800	...	**1,009,800**	136,400	873,400	+50,200	+500
5,240,600	265,300	4,975,300	+37,400	5,361,000	1,300	**5,362,300**	267,300	5,095,000	+159,100	+121,700
212,700	100	212,600	−7,200	215,400	100	**215,500**	100	215,400	−4,400	+2,800
3,241,700	125,900	3,115,800	−758,200	3,385,500	9,300	**3,394,800**	125,100	3,269,700	−605,100	+153,100
127,700	127,700	...	−7,200	135,000	300	**135,300**	135,300	...	+400	+7,600
1,539,800	158,200	1,381,600	−345,900	1,484,900	5,100	**1,490,000**	191,100	1,298,900	−395,000	−49,800
1,154,100	930,400	223,700	+9,900	1,150,700	5,600	**1,156,300**	928,000	228,300	+12,100	+2,200
570,500	65,000	505,500	−35,600	606,900	2,000	**608,900**	70,200	538,700	+2,800	+38,400
483,400	342,900	140,500	−15,200	464,600	37,800	**502,400**	346,600	155,800	+3,800	+19,000
18,938,800	3,395,100	15,543,700	−854,200	18,780,400	427,400	**19,207,800**	3,388,200	15,819,600	−585,200	+269,000
216,400	216,400	...	−5,800	207,200	10,600	**217,800**	217,800	...	−4,400	+1,400
360,900	360,900	...	−72,400	900	83,000	**3,900**	83,900	...	−349,400	−277,000
3,501,900	2,174,000	1,327,900	+52,300	1,484,500	2,059,000	**3,543,500**	2,175,200	1,368,300	+93,900	+41,600
765,900	234,900	531,000	+46,200	650,600	103,100	**753,700**	211,600	542,100	+34,000	−12,200
555,400	332,400	223,000	−69,500	477,800	43,700	**521,500**	216,000	305,500	−103,400	−33,900
5,400,500	3,318,600	2,081,900	−49,200	2,821,000	2,299,400	**5,120,400**	2,904,500	2,215,900	−329,300	−280,100
289,900	183,800	106,100	−8,600	7,100	...	**7,100**	7,100	...	−291,400	−282,800
−1,500	−1,500	...	−1,600	...	...	...	...	...	−100	+1,500
501,500	501,500	...	+1,600	483,500	16,500	**500,000**	500,000	...	+100	−1,500
210,100	15,000	195,100	+8,600	492,900	...	**492,900**	328,200	164,700	+291,400	+282,800
1,000,000	698,800	301,200	...	983,500	16,500	**1,000,000**	835,300	164,700	...	...
39,268,300	14,816,500	24,451,800	−1,377,500	34,418,500	5,321,500	**39,740,000**	14,821,300	24,918,700	−905,800	+471,700

BUDGET ESTIMATE, 1915-1916.		
India.	England.	Total.
£	£	£
4,081,700	3,585,100	**7,666,800**
17,700	81,200	**98,900**
4,099,400	3,666,300	**7,765,700**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward	32,906,142	5,627,725	**38,533,867**	15,174,579	23,359,288	33,432,400	5,835,900
Railways—							
38.—State Railways: Interest on Debt	3,357,109	3,530,733	**6,887,842**	6,887,842	...	3,991,100	3,553,800
Annuities in purchase of Railways	...	3,379,581	**3,379,581**	3,379,581	...	...	3,357,700
Sinking Funds	...	191,707	**191,707**	191,707	...	...	199,400
Interest chargeable against Companies on Advances	239,803	175,500	**415,303**	415,303	...	16,400	81,200
Interest on Capital deposited by Companies	229,339	1,722,577	**1,952,416**	1,952,416	...	56,000	1,932,300
40.—Subsidised Companies: Land, etc.	55,146	...	**55,146**	52,587	2,559	114,000	...
41.—Miscellaneous Railway Expenditure	—45,894	...	**—45,894**	—45,863	—31	52,800	...
Total	3,836,003	9,000,098	**12,836,101**	12,833,573	2,528	4,230,300	9,124,400
Irrigation—							
42.—Major Works: Working Expenses	1,214,429	14	**1,214,443**	551,539	662,904	1,276,400	...
Interest on Debt	1,186,167	118,679	**1,304,846**	642,590	662,256	1,246,000	120,600
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	83,689	...	**83,689**	83,689	...	66,800	...
43.—Minor Works and Navigation	927,733	1,156	**928,889**	295,099	633,790	1,032,300	300
Total	3,412,018	119,849	**3,531,867**	1,572,917	1,958,950	3,621,500	120,900
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	1,414	...	**1,414**	...	1,414	1,600	...
45.—Civil Works	6,907,440	101,184	**7,008,624**	1,058,800	5,949,824	6,922,600	86,400
Total	6,908,854	101,184	**7,010,038**	1,058,800	5,951,238	6,924,200	86,400
Military Services—							
46.—Army: Effective	13,903,995	2,638,876	**16,542,871**	16,542,871	...	14,685,400	2,380,800
Non-Effective	730,495	2,515,873	**3,246,368**	3,246,368	...	736,000	2,524,000
	14,634,490	5,154,749	**19,789,239**	19,789,239	...	15,421,400	4,904,800
46A.—Marine	255,703	257,142	**512,845**	512,845	...	240,400	215,300
47.—Military Works	905,607	41,690	**947,297**	947,297	...	977,400	39,600
47A.—Special Defences (1902)	7,148	9,236	**16,384**	16,384	...	10,500	13,000
Total	15,802,948	5,462,817	**21,265,765**	21,265,765	...	16,649,700	5,172,700
Total Expenditure, Imperial and Provincial	62,865,965	20,311,673	**83,177,638**	51,905,634	31,272,004	64,858,100	20,340,300
Add—Portion of Allotments to Provincial Governments not spent by them in the year	325,692	...	**325,692**	...	325,692	...	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	*608,578*	...	***608,578***	...	*608,578*	*2,255,000*	...
Total Expenditure charged to Revenue	62,583,079	20,311,673	**82,894,752**	51,905,634	30,989,118	62,603,100	20,340,300

	ACCOUNTS, 1913-1914.		
	India.	England.	Total.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	7,484,613	2,998,587	**10,483,200**
49.—Irrigation Works	1,223,467	58,795	**1,282,262**
Total	8,708,080	3,057,382	**11,765,462**
51.—Initial Expnditure on new Capital at Delhi	410,723	36,411	**447,134**

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1914-1915.			Increase + Decrease — as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease — of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease — of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
39,268,300	14,816,500	24,451,800	−1,377,500	34,418,500	5,321,500	**39,740,000**	14,821,300	24,918,700	−905,800	+471,700
7,544,900	7,544,900	...	+497,400	4,081,700	3,585,100	**7,666,800**	7,666,800	...	+619,300	+121,900
3,357,700	3,357,700	...	...	...	3,357,700	**3,357,700**	3,357,700	...	...	...
199,400	199,400	...	...	...	208,100	**208,100**	208,100	...	+8,700	+8,700
97,600	97,600	...	−246,100	17,700	81,200	**98,900**	98,900	...	−244,800	+1,300
1,988,300	1,988,300	...	−199,300	66,900	2,186,400	**2,253,300**	2,253,300	...	+65,700	+265,000
114,000	113,300	700	−80,300	201,100	...	**201,100**	200,000	1,100	+6,800	+87,100
52,800	52,800	...	−26,000	53,600	...	**53,600**	53,600	...	−25,200	+800
13,354,700	13,354,000	700	−54,300	4,421,000	9,418,500	**13,839,500**	13,838,400	1,100	+430,500	+484,800
1,276,400	596,700	679,700	+27,000	1,271,400	...	**1,271,400**	596,100	675,300	+22,000	−5,000
1,366,600	684,600	682,000	+1,800	1,301,100	122,200	**1,423,300**	722,400	700,900	+58,500	+56,700
66,800	66,800	...	+33,300	...	...	...	...	...	−33,500	−66,800
1,032,600	319,800	712,800	+28,900	956,100	...	**956,100**	317,700	638,400	−47,600	−76,500
3,742,400	1,667,900	2,074,500	+91,000	3,528,600	122,200	**3,650,800**	1,636,200	2,014,600	−600	−91,600
1,600	...	1,600	−300	1,300	...	**1,300**	...	1,300	−600	−300
7,009,000	1,054,200	5,954,800	−445,600	5,792,600	21,200	**5,813,800**	921,700	4,892,100	−1,640,800	−1,195,200
7,010,600	1,054,200	5,956,400	−445,900	5,793,900	21,200	**5,815,100**	921,700	4,893,400	−1,641,400	−1,195,500
17,066,200	17,066,200	...	+25,900	14,794,500	1,907,100	**16,701,600**	16,701,600	...	−338,700	−364,600
3,260,000	3,260,000	...	−5,500	1,039,100	2,233,000	**3,272,100**	3,272,100	...	+6,600	+12,100
20,326,200	20,326,200	...	+20,400	15,833,600	4,140,100	**19,973,700**	19,973,700	...	−332,100	−352,500
455,700	455,700	...	−49,200	234,900	415,500	**650,400**	650,400	...	+145,500	+194,700
1,017,000	1,017,000	...	−5,400	726,300	18,000	**744,300**	744,300	...	−272,700	−272,700
23,500	23,500	...	−9,500	14,600	6,500	**21,100**	21,100	...	−11,900	−2,400
21,822,400	21,822,400	...	−43,700	16,809,400	4,580,100	**21,389,500**	21,389,500	...	−476,600	−432,900
85,198,400	52,715,000	32,483,400	−1,330,400	64,971,400	19,463,500	**84,434,900**	52,607,100	31,827,800	−2,593,900	−763,500
...	...	...	...	...	...	...	...	...	+2,128,300	+1,177,400
2,255,000	...	*2,255,000*	+950,900	*1,077,600*	...	*1,077,600*	...	*1,077,600*		
82,943,400	52,715,000	30,228,400	−879,500	63,893,800	19,463,500	**83,357,300**	52,607,100	30,750,200	−465,600	+413,900

REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
8,116,600	2,434,100	**10,550,700**	−6,187,500	1,450,200	**7,637,700**
1,103,100	60,000	**1,163,100**	1,061,000	39,000	**1,100,000**
9,219,700	2,494,100	**11,713,800**	7,248,500	1,489,200	**8,737,700**
305,500	57,900	**363,400**	183,200	83,500	**266,700**

C.—Statement of Receipts and Disbursements of the

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	84,350,557	856,618	85,207,175	79,498,000	659,600	80,157,600	79,701,600	698,600	80,400,200
Excess of Revenue over Expenditure charged to Revenue			**2,312,423**			**-2,785,800**			**-2,957,100**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	34,667	...	34,667	2,367,500	...	2,367,500	6,533,300	...	6,533,300
Capital contributed by Native States towards construction of State Railways	200,000	...	200,000	66,700	...	66,700	66,700	...	66,700
Outlay of Railway Companies—									
Repayments	...	5,637	5,637	...	19,400	19,400	...	2,400	2,400
Net			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	164,692	4,832,788	4,997,480	486,700	1,557,300	2,044,000	320,600	1,996,600	2,317,200
Net			**4,717,480**			**2,044,000**			**320,600**
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	...		...	...		...	...	
Rupee Debt—									
Rupee Loan	2,000,000	...		3,333,300	...		3,000,000	...	
Total	2,000,000	...	2,000,000	3,333,300	...	3,333,300	3,000,000	...	3,000,000
Net			**118,200**			**2,727,200**			**2,008,700**
Temporary Debt Incurred—									
Temporary Loans	...	...	...	8,333,300	7,000,000	15,333,300	...	7,000,000	7,000,000
Net			**0**			**14,333,300**			**0**
Unfunded Debt—									
Deposits of Service Funds	89,541	...		88,300	...		88,700	...	
Savings Bank Deposits	8,783,483	...		7,466,300	...		6,414,200	...	
Total	8,873,024	...	8,873,024	7,554,600	...	7,554,600	6,502,900	...	6,502,900
Net			**2,201,970**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	325,692	...		...	...		...	...	
Appropriation for Reduction or Avoidance of Debt	342,489	...		210,100	...		492,900	...	
Deposits of Local Funds—									
District Funds	5,260,391	...		5,210,400	...		4,784,800	...	
Other Funds	1,343,956	...		1,285,900	...		1,229,900	...	
Deposits of Sinking Funds	43,825	...		59,000	...		61,000	...	
Gold Standard Reserve	4,286,872	9,728,845		3,000	10,021,200		...	7,963,500	
Departmental and Judicial Deposits—									
War transactions	...	...		2,740,300	...		681,000	...	
Other „	30,205,951	...		30,413,100	...		29,934,200	...	
Advances	5,600,420	16,536		6,897,500	975,400		8,130,400	1,094,700	
Suspense Accounts	87,499	...		77,600	...		16,200	...	
Miscellaneous	37,632	56		110,200	...		2,900	...	
Total	47,534,727	9,745,437	57,280,164	47,007,100	10,996,600	58,003,700	45,333,300	9,058,200	54,391,500
Net			**67,762**			**0**			**0**
Carried over	143,157,667	15,440,480		148,647,200	20,232,900		141,458,400	18,755,800	

Government of India, in India and in England.

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	62,865,965	20,311,673	83,177,638	64,858,100	20,340,300	85,198,400	64,971,400	19,463,500	84,434,900
Add—Provincial Surpluses transferred to "Deposits"	325,692	...	325,692	...	...	...	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	*608,578*	...	*608,578*	*2,255,000*	...	*2,255,000*	*1,077,600*	...	*1,077,600*
Total	62,583,079	20,311,673	82,894,752	62,603,100	20,340,300	82,943,400	63,893,800	19,463,500	83,357,300
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	1,223,467	58,795	1,282,262	1,103,100	60,000	1,163,100	1,061,000	39,000	1,100,000
Outlay on State Railways	7,484,613	2,998,587	10,483,200	8,116,600	2,434,100	10,550,700	6,187,500	1,450,200	7,637,700
Initial expenditure on new Capital at Delhi	410,723	36,411	447,134	305,500	57,900	363,400	183,200	83,500	266,700
Outlay of Railway Companies—									
Payments for Capit Outlay	214,823	1,793,117	2,007,940	— 50,700	1,552,200	1,501,500	—526,700	1,212,800	686,100
Net			**2,002,303**			**1,482,100**			**683,700**
Raised and deposited by Railway Companies—									
Payments for Discharge of Debentures	...	280,000	280,000	...	...	...	...	1,996,600	1,996,600
Net			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Madras Railway Debentures	...	170,000		...	...		...	...	
Indian Midland do.	...	1,111,200		...	...		...	407,500	
India Bonds	...	500,000		...	500,000		...	500,000	
Rupee Debt—									
4½ p. c. Loans	1,293	...		...	...		...	...	
4 p. c. Loans	81,047	...		103,500	...		80,700	...	
3½ p. c. Loans	...	...		100	...		100	...	
3 p. c. Loans	18,253	...		2,500	...		2,900	...	
Provincial Debentures	7	...		...	...		100	...	
Total	100,600	1,781,200	1,881,800	106,100	500,000	606,100	83,800	907,500	991,300
Net			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans	...	...	...	1,000,000	...	1,000,000	...	7,000,000	7,000,000
Net			**0**			**0**			**0**
Unfunded Debt—									
Special Loans	213	...		200	...		200	...	
Deposits of Service Funds	93,096	...		95,900	...		97,400	...	
Savings Bank Deposits	6,577,745	...		12,529,400	...		6,625,200	...	
Total	6,671,054	...	6,671,054	12,625,500	...	12,625,500	6,722,800	...	6,722,800
Net			**0**			**5,070,900**			**219,900**
Deposits and Advances—									
Balances of Provincial Allotments	608,578	...		2,255,000	...		1,077,600	...	
Deposits of Local Funds—									
District Funds	4,388,070	...		5,218,200	...		5,122,700	...	
Other Funds	1,268,258	...		1,393,200	...		1,213,900	...	
Deposits of Sinking Funds	...	...		...	...		...	...	
Gold Standard Reserve	4,300,000	10,709,547		25,200	10,038,000		...	7,967,500	
Departmental and Judicial Deposits—									
War transactions	...	...		691,700	...		1,685,000	...	
Other ,,	29,782,270	...		30,682,900	...		29,980,500	...	
Advances	5,893,406	76,878		7,062,300	1,016,500		8,137,100	1,091,000	
Suspense Accounts	163,303	...		36,400	...		10,300	...	
Exchange on Remittance Account (net)	190	...		...	...		...	...	
Miscellaneous	21,879	23		...	...		...	...	
Total	46,425,954	10,786,448	57,212,402	47,364,900	11,054,500	58,419,400	47,227,100	9,058,500	56,285,600
Net			**0**			**415,700**			**1,894,100**
Carried over	125,114,313	38,046,231		133,174,100	35,999,000		124,832,500	41,211,600	

C.—Statement of Receipts and Disbursements of the

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	143,157,667	15,440,480		148,647,200	20,232,900		141,458,400	18,755,800	
Loans and Advances by Imperial Government	377,694	...	377,694	198,400	...	198,400	185,000	...	185,000
Net			213,183			0			0
Loans and Advances by Provincial Governments	1,082,099	...	1,082,099	1,448,200	...	1,448,200	1,576,200	...	1,576,200
Net			0			0			405,000
Loans to Local Boards for Railway Construction	7,124	...	7,124	7,400	...	7,400	7,700		7,700
Net			7,124			7,400			7,700
Remittances—									
Inland Money Orders	37,604,247	...		38,666,700	...		39,966,700	...	
Other Local Remittances	...	...		5,981,500	...		4,355,500	...	
Other Departmental Accounts	21,301	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Posts and Telegraphs	985,361	...		...	...		...	...	
Railways	14,486,413	...		11,087,000	...		11,753,000	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	...	...		6,063,400	...		1,265,700	...	
Marine	247,052	...		4,999,700	...		3,463,900	...	
Military Works	736,861	...		933,300	...		610,300	...	
Military	13,323,625	...		16,848,500	...		18,651,700	...	
Remittance Account between England and India—									
Gold remitted from India	...	...		...	604,800		...	...	
Transfers through Paper Currency Reserve	...	...		...	1,000,000		...	...	
War transactions	...	...		570,000	9,373,000		823,000	9,086,000	
Purchase of Silver	4,528,611	...		...	...		...	...	
Railway transactions	5,008,020	8,855		4,617,900	2,358,500		3,078,600	7,016,500	
Other „	989,722	2,150,713		981,800	1,243,500		1,157,000	1,269,000	
Total	77,931,213	2,159,568	80,090,781	90,749,800	14,579,800	105,329,600	85,125,400	17,371,500	102,496,900
Net			0			0			705,700
Secretary of State's Bills drawn	...	(b) 29,050,827	29,050,827	...	(e) 6,900,000	6,900,000	...	7,100,000	7,100,000
Total Receipts	222,555,797	46,650,875		241,051,000	41,712,700		228,352,700	43,227,300	
Opening Balance	19,293,131	(a) 9,789,634		15,608,253	(c) 8,157,732		13,855,353	(d) 7,620,132	
GRAND TOTAL	241,848,928	56,440,509		256,659,253	49,870,432		242,208,053	50,847,432	

(a) Of this amount £1,005,664 represents the funds of the Gold Standard Reserve.
(c) „ £24,962 „ „ „ „ „ „
(e) In addition to £600,000 for remittance of the Gold Standard Reserve.

Delhi,
Finance Department,
March 22, 1915.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England—*continued.*

	Accounts, 1913-1914.			Revised Estimate, 1914-1915.			Budget Estimate, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	125,114,313	38,046,231		133,174,100	35,999,000		124,832,500	41,211,600	
Loans and Advances by Imperial Government . .	164,511	...	164,511	203,100	...	203,100	338,700	...	338,700
Net .			**0**			**4,700**			**153,700**
Loans and Advances by Provincial Governments .	1,880,036	...	1,880,036	1,579,800	...	1,579,800	1,171,200	...	1,171,200
Net .			**797,937**			**131,600**			**0**
Remittances—									
Inland Money Orders .	37,532,110	...		38,700,000	...		39,966,700	...	
Other Local Remittances	448,415	...		5,981,500	...		4,355,500	...	
Other Departmental Accounts . . .	12	...		...	...		...	...	
Net Payments into Civil Treasuries by—									
Posts and Telegraphs .	992,064	...		...	...		...	...	
Railways	14,823,021	...		11,287,000	...		11,753,000	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	...	...		6,063,400	...		1,265,700	...	
Marine . . .	247,345	...		4,999,700	...		3,463,900	...	
Military Works . .	737,178	...		933,300	...		610,300	...	
Military . . .	13,323,472	...		16,848,500	...		18,651,700	...	
Remittance Account between England and India—									
Gold remitted from India . . .	...	...		604,800	...		...	...	
Transfers through Paper Currency Reserve . .	...	...		1,000,000	...		...	...	
War transactions .	...	...		11,096,600	570,000		8,389,000	823,000	
Purchase of Silver .	555	4,528,056		...	...		...	...	
Railway transactions .	920	5,016,044		2,325,200	4,651,200		6,500,000	3,595,100	
Other „ .	1,925,966	692,446		1,349,700	1,030,100		1,216,600	1,200,700	
Total .	70,031,058	10,236,546	80,267,604	101,189,700	6,251,300	107,441,000	96,172,400	5,618,800	101,791,200
Net .			**176,823**			**2,111,400**			**0**
Secretary of State's Bills paid . .	(*b*) 29,050,757	...	29,050,757	(*e*) 6,657,200	...	6,657,200	7,260,000	...	7,260,000
Total Disbursements .	226,240,675	48,282,777		242,803,900	42,250,300		229,774,800	46,830,400	
Closing Balance .	15,608,253	(*c*) 8,157,732		13,855,353	(*d*) 7,620,132		12,433,253	(*f*) 4,017,032	
GRAND TOTAL .	241,848,928	56,440,509		256,659,253	49,870,432		242,208,053	50,847,432	

(*b*) In addition to £2,150,000 for remittance of the Gold Standard Reserve.
(*d*) Of this amount £8,162 represents the funds of the Gold Standard Reserve.
(*f*) „ £4,162 „ „ „ „

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

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D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1913-14.	Revised, 1914-15.	Budget, 1915-16.
Madras—	R	R	R
Balance on April 1st	8,58,879	1,75,60,000	98,08,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	31,33,500	24,67,000	24,50,000
Other revenue	7,26,09,014	7,29,95,000	7,40,19,000
Total Expenditure	8,10,40,925	8,32,14,000	7,80,33,000
Closing Balance	1,75,60,468	98,08,000	82,44,000
Bombay—			
Balance on April 1st	1,79,75,519	1,95,34,000	1,54,28,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	20,78,000	20,88,000	20,80,000
Other revenue	7,71,51,211	7,26,71,000	7,28,20,000
Total Expenditure	7,76,70,645	7,88,65,000	7,71,77,000
Closing Balance	1,95,34,085	1,54,28,000	1,31,51,000
Bengal—			
Balance on April 1st	3,13,30,270	3,18,11,000	2,81,31,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	34,81,000	44,92,000	34,90,000
Other revenue	5,86,60,472	5,75,14,000	5,83,17,000
Total Expenditure	6,16,60,630	6,56,86,000	6,58,29,000
Closing Balance	3,18,11,112	2,81,31,000	2,41,09,000
United Provinces—			
Balance on April 1st	1,84,23,473	1,84,74,000	1,50,91,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	23,41,600	24,22,000	22,27,000
Other revenue	6,56,64,396	6,34,56,000	6,53,15,000
Total Expenditure	6,79,55,292	6,92,61,000	6,90,25,000
Closing Balance	1,84,74,177	1,50,91,000	1,36,08,000
Punjab—			
Balance on April 1st	1,77,84,102	70,92,000*	53,97,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	14,11,000	16,84,000	13,55,000
Other revenue	4,47,31,340	4,59,66,000	4,73,51,000
Total Expenditure	4,68,34,852	4,93,45,000	4,91,64,000
Closing Balance	1,70,91,590	53,97,000	49,39,000
Burma—			
Balance on April 1st	1,30,22,199	1,39,36,000	84,13,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	11,82,000	24,92,000	9,92,000
Other revenue	5,49,63,223	5,16,45,000	5,58,50,000
Total Expenditure	5,52,31,197	5,96,60,000	5,82,27,000
Closing Balance	1,39,36,225	84,13,000	70,28,000
Bihar and Orissa—			
Balance on April 1st	2,00,84,199	1,91,64,000	1,56,13,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,56,000	14,64,000	14,61,000
Other revenue	2,81,83,313	2,85,97,000	2,92,33,000
Total Expenditure	3,15,59,375	3,36,12,000	3,40,03,000
Closing Balance	1,91,64,137	1,56,13,000	1,23,04,000
Central Provinces—			
Balance on April 1st	90,72,033	1,09,53,000	95,15,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	10,34,000	9,29,000	9,14,000
Other revenue	2,96,49,750	2,82,94,000	2,83,73,000
Total Expenditure	2,88,02,505	3,06,61,000	2,98,52,000
Closing Balance	1,09,53,278	95,15,000	89,50,000
Assam—			
Balance on April 1st	78,06,494	55,89,000	28,93,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	5,12,500	4,48,000	4,48,000
Other revenue	1,55,94,449	1,38,03,000	1,45,59,000
Total Expenditure	1,83,24,640	1,69,47,000	1,61,07,000
Closing Balance	55,88,803	28,93,000	17,93,000
Total—			
Balance on April 1st	15,83,57,168	14,41,13,000*	11,02,89,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,76,29,600	1,84,86,000	1,54,17,000
Other revenue	44,72,07,168	43,49,41,000	44,58,37,000
Total Expenditure	46,90,80,061	48,72,51,000	47,74,17,000
Closing Balance	15,41,13,875	11,02,89,000	9,41,26,000
Total (in sterling)—	£	£	£
Balance on April 1st	10,557,144	9,607,600*	7,352,600
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,175,307	1,232,400	1,027,800
Other revenue	29,813,811	28,996,000	29,722,400
Total Expenditure	31,272,004	32,483,400	31,827,800
Closing Balance	10,274,258	7,352,600	6,275,000

* The figure here given for the opening Provincial balance of 1914-15 differs from that given for the closing Provincial balance of 1913-14 owing to the surrender by the Government of the Punjab of R1 crore of its balance in lieu of a recurring contribution from Imperial revenues of R3,50,000 per annum with effect from 1st April 1914.

R. A. GAMBLE, *Comptroller General.*

H. F. HOWARD, *Controller of Currency.*

J. B. BRUNYATE, *Secy. to the Govt. of India.*

DELHI,
FINANCE DEPARTMENT;
March 22, 1915.

3681

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED ESTIMATE, 1914-1915.		BUDGET ESTIMATE, 1915-1916.	
		EXPENDITURE.							
	Revenue.	Refunds and Assignments.	Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	21,391,575	770,094	3,986,422	16,635,059		16,304,500		17,217,900	
Opium	1,624,878	6,090	1,012,440	606,348		903,000		881,500	
Salt	3,445,805	262,804	365,373	2,817,128		3,134,300		2,681,500	
Stamps	5,318,293	58,173	173,143	5,086,977		4,869,500		4,896,400	
Excise	8,894,300	103,523	437,529	8,353,248		8,237,100		8,197,000	
Provincial Rates	180,210	522	...	179,688		36,800		30,400	
Customs	7,558,220	147,374	261,252	7,149,594		5,921,200		5,527,400	
Assessed Taxes	1,950,250	13,478	31,254	1,905,518		1,958,000		1,829,600	
Forest	2,229,872	9,936	1,174,488	1,045,448		746,500		816,500	
Registration	518,962	986	255,453	262,523		229,600		247,900	
Tributes	616,881	204,263	...	412,618		399,600		409,000	
TOTAL	53,728,746	1,577,243	7,697,354	44,454,149		42,740,100		42,735,100	
Total deduction from Revenue		9,274,597							
Expenditure Heads.									
Debt Services — Interest	1,352,119	1,515,653			163,534		459,300		419,000
Commercial Services — Posts and Telegraphs	3,598,519	3,272,984		325,535		229,200		284,800	
Railways	17,625,634	12,836,101		4,789,533		1,913,600		1,189,800	
Irrigation	4,713,159	3,531,867		1,181,292		964,200		1,144,500	
Other Public Works — Civil Works, etc.	298,640	7,010,038			6,711,398		6,744,200		5,559,000
Mint — Mint	339,841	132,630		207,211			81,500		30,700
Civil Departments — Civil Departments	1,408,286	17,934,199			16,525,913		17,455,300		17,673,800
Miscellaneous Civil Services — Superannuation	206,810	3,399,487			3,192,677		3,294,600		3,353,700
Exchange	119,741	...		119,741		71,700			
Miscellaneous	352,612	602,235			249,623		173,100		224,100
Other heads	93,416	1,402,082			1,308,666		1,244,900		959,400
Famine Relief and Insurance — Famine Relief	...	157,511			157,511		289,900		7,100
Other heads	...	842,489			842,489		710,100		992,900
Military Services — Army — Effective	1,080,631	16,542,871			15,462,240		16,035,200		15,737,000
Army — Non-effective	122,875	3,246,368			3,123,493		3,139,500		3,161,600
Marine	89,542	512,845			423,303		366,500		582,200
Military works	76,604	947,297			870,693		942,000		667,300
Special Defences (1902)	...	16,384			16,384		23,500		21,100
TOTAL	85,207,175	83,177,638		2,029,537			5,040,800		4,034,700
Provincial Adjustment — Surplus		...							
Deficit		282,886		282,886		2,255,000		1,077,600	
TOTAL	85,207,175	82,894,752		2,312,423			2,785,800		2,957,100
Capital Account — Surplus				2,312,423					
Deficit							2,785,800		2,957,100
Railway and Irrigation Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways				34,667		2,367,500		6,533,300	
Capital contributed by Native States towards construction of State Railways				200,000		66,700		166,700	
Capital raised and deposited by Railway Companies (net)				4,717,480		2,044,000		320,600	
Outlay on Irrigation Works					1,282,262		1,163,100		1,100,000
Outlay on State Railways					10,483,200		10,550,700		7,637,700
Initial outlay on new Capital at Delhi					447,134		363,400		266,700
Outlay of Railway Companies (net)					2,002,303		1,482,100		683,700
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				118,200		2,727,200		2,008,700	
Temporary Debt (net)						14,333,300			
Unfunded Debt (net)				2,201,970			5,070,900		219,900
Loans and Advances by Imperial Government (net)				213,183			4,700		153,700
Loans and Advances by Provincial Governments (net)					797,937		131,600	405,000	
Loans to Local Boards for Railway Construction (net)				7,124		7,400		7,700	
Deposits and Advances (net)				67,762			415,700		1,894,100
Remittances (net)					176,823		2,111,400	705,700	
Secretary of State's Bills drawn				29,050,827		6,900,000		7,100,000	
Secretary of State's Bills paid					29,050,757		6,657,200		7,260,000
				38,923,636	44,240,416	28,446,100	30,736,600	17,147,700	22,172,900
Cash Balance — Opening Balance				29,082,765		23,765,985		21,475,485	
Closing Balance					23,765,985		21,475,485		16,450,285
TOTAL				68,006,401	68,006,401	52,212,085	52,212,085	38,623,185	38,623,185

R. A. GAMBLE,
Comptroller General.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT
March 22, 1915.

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

Introductory.

1. In this memorandum the variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget estimates of next year, are explained in detail for the Major heads of account. Under most of the heads details by provinces have been given, and it may be explained that the figures shown against "India General" represent the transactions of the Central Government, including all expenditure directly controlled by it, of the minor administrations of Ajmer-Merwara and Coorg, and of the convict settlement in the Andamans. The Budget estimates of Provincial and "Divided" expenditure in 1915-16 generally represent the allotments proposed by the several Governments and Administrations with whom regular provincial settlements have been concluded. More detailed information regarding the figures will be found in the Financial Statements presented by the Local Governments to their respective Councils.

2. The figures for the province of Delhi have been entered separately and explained under each major head of account. A *pro formâ* account of expenditure on Delhi and the Delhi province is also appended to this memorandum (appendix I), together with a prefatory note explaining the scope of the *pro formâ* account and the relation between it and the regular accounts.

General results.

3. The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows:—

	Accounts, 1913-1914.
	£
Revenue	85,207,175
Expenditure charged to Revenue	82,894,752
Imperial surplus	2,312,423

	Revised, 1914-1915.
	£
Revenue	80,157,600
Expenditure charged to Revenue	82,943,400
Imperial deficit	2,785,800

	Budget, 1915-1916.
	£
Revenue	80,400,200
Expenditure charged to Revenue	83,357,300
Imperial deficit	2,957,100

These figures exclude all capital, debt, and remittance transactions.

Accounts, 1913-14.

4. The accounts of 1913-14 are not discussed in this memorandum, but according to our usual practice in the past a brief explanation is given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Council twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Comptroller and Auditor-General.

5. The broad results are brought out in the following table :—

	Revised, 1913-14.			Actuals, 1913-14.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
	£	£	£	£	£	£
Revenue . . .	53,777,100	30,707,500	84,484,600	54,218,100	30,989,100	85,207,200
Expenditure . . .	52,290,400	31,309,200	83,599,600	51,905,600	31,272,000	83,177,600
Surplus (+) or Deficit (−)	+1,486,700	−601,700	+885,000	+2,312,500	−282,900	+2,029,600

6. The Imperial revenue proved to be £441,000 higher, and the Imperial expenditure £384,800 less, than the Revised estimate, with the result that the surplus was £825,800 larger than was anticipated. The principal items contributing to this improvement are mentioned below. The Customs revenue showed a rise of £189,800, owing mainly to heavier imports of silver in March and to a higher yield from the import and excise duties on cotton manufactures. The net receipts of Railways improved by £107,200. The effect of the unfavourable conditions of agriculture in Northern India on the earnings of railways in March was less marked than had been anticipated, and there was an increase of £412,100 in the Gross Receipts on the North Western, Bombay, Baroda and Central India, and certain other lines; but this improvement was largely counterbalanced by an increase of £304,900 in Working Expenses chiefly in consequence of the adjustment of the value of certain stores issued for renewals on the Great Indian Peninsula Railway. There was an increase of £115,900 in the Imperial share of Land Revenue including the portion due to Irrigation, mainly owing to an advance collection in Bombay of revenue which was expected to be realized in April. The net Military expenditure was less than the Revised estimate by £123,300, chiefly in consequence of smaller expenditure on food charges in India and on the purchase of stores in England. There was also a decrease of £130,400 in the miscellaneous charges of Railways. The improvement in the Provincial section occurred mainly under Land and other Revenue.

Authors of Memorandum.

7. Paragraphs 191 to 217 of this Memorandum have been communicated by the Honourable Mr. W. H. Michael, Financial Adviser, Military Finance, and paragraphs 152 to 162 and 226 to 229 by Mr. H. N. Heseltine, Accountant General, Railways; the rest of the Memorandum has been drafted by Mr. Bhupendra Nath Mitra, C.I.E., Assistant Secretary in the Finance Department.

I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	7,11,075	7,85,460	7,26,582	6,96,000	7,21,000	7,63,000
2. Delhi	...	2,01,652	3,53,143	3,53,000	3,53,000	3,56,000
3. Baluchistan	9,51,489	9,60,621	10,40,110	9,50,000	10,40,000	10,37,000
4. North-West Frontier	21,48,843	21,71,162	21,57,652	22,48,000	22,75,000	23,09,000
5. Other Provinces	7,06,376	12,88,478	19,79,133	25,61,000	19,58,000	22,42,000
Total	45,17,783	54,07,373	62,56,620	68,08,000	63,47,000	67,07,000
Divided and Provincial.						
1. Central Provinces	1,85,87,860	1,82,94,753	1,87,22,197	1,93,83,000	1,82,56,000	2,05,24,000
2. Burma	4,18,73,511	4,53,42,149	4,65,26,001	4,61,80,000	4,26,43,000	4,66,00,000
3. Assam	...	77,90,288	78,86,558	80,00,000	74,50,000	80,40,000
4. Bengal (new)	...	2,73,57,194	2,71,19,880	2,76,40,000	2,69,22,000	2,73,57,000
5. Bihar and Orissa	...	1,50,80,571	1,53,28,723	1,52,00,000	1,50,60,000	1,53,52,000
6. United Provinces	6,60,96,192	6,71,00,937	6,08,30,926	6,29,18,000	6,43,00,000	6,92,22,000
7. Punjab	3,47,90,786	3,74,20,500	3,70,43,558	3,90,59,000	3,89,29,000	3,96,45,000
8. Madras	6,70,19,897	6,88,13,775	6,79,52,486	7,00,64,000	6,77,36,000	7,03,89,000
9. Bombay	4,94,05,849	4,97,03,142	5,84,72,294	5,41,81,000	5,36,60,000	5,45,51,000
Eastern Bengal and Assam	2,03,12,357	...	...	...	...	...
Bengal (old)	2,91,38,198	...	...	...	...	...
Total	32,72,24,650	33,69,03,309	33,98,82,623	34,26,25,000	33,49,56,000	35,16,80,000
TOTAL REVENUE ₹	33,17,42,433	34,23,10,682	34,61,39,243	34,94,33,000	34,13,03,000	35,83,87,000
Shown under I.—Land Revenue ₹	31,14,70,456	31,92,37,015	32,08,73,629	32,51,12,000	31,58,45,000	33,22,44,000
Shown under XXIX.—Irrigation ₹	2,02,71,977	2,30,73,667	2,52,65,614	2,43,21,000	2,54,58,000	2,61,43,000
Equivalent of total Revenue in Sterling £	22,116,162	22,820,713	23,075,949	23,295,500	22,753,500	23,892,500
Shown under I.—Land Revenue £	20,764,697	21,282,468	21,391,575	21,674,100	21,056,300	22,149,600
Shown under XXIX.—Irrigation £	1,351,465	1,538,245	1,684,374	1,621,400	1,697,200	1,742,900

EXPENDITURE.

Imperial.						
1. India General	4,02,758	3,99,524	4,06,460	3,98,000	4,10,000	4,15,000
2. Delhi	...	31,474	92,143	1,00,000	1,03,000	1,01,000
3. Baluchistan	2,39,346	2,43,275	2,34,196	2,38,000	2,25,000	1,99,000
4. North-West Frontier	6,03,664	6,11,662	6,20,763	6,78,000	6,41,000	6,97,000
5. Other Provinces	26,72,719	27,54,266	30,29,266	37,00,000	33,50,000	37,00,000
Total	39,18,487	40,40,201	43,82,828	51,14,000	47,29,000	51,12,000
Divided and Provincial.						
1. Central Provinces	39,07,629	38,38,802	40,18,749	40,53,000	41,41,000	42,59,000
2. Burma	68,23,955	69,83,737	70,06,631	71,83,000	70,13,000	73,45,000
3. Assam	...	13,91,912	15,26,750	16,72,000	15,98,000	17,50,000
4. Bengal (new)	...	32,86,127	34,40,775	35,33,000	35,75,000	36,66,000
5. Bihar and Orissa	...	23,51,303	24,53,629	26,63,000	25,38,000	25,10,000
6. United Provinces	86,42,061	87,45,672	88,65,404	96,67,000	91,58,000	97,99,000
7. Punjab	48,02,974	47,73,501	49,09,849	49,49,000	49,99,000	52,90,000
8. Madras	1,29,37,965	1,42,09,160	1,46,94,474	1,49,02,000	1,26,11,000	1,30,70,000
9. Bombay	82,72,746	84,24,139	84,71,319	89,93,000	89,50,000	90,20,000
Eastern Bengal and Assam	33,30,750	...	...	...	...	...
Bengal (old)	41,29,707	...	...	...	...	...
Total	5,28,47,787	5,39,54,353	5,53,87,580	5,76,15,000	5,45,83,000	5,67,09,000
TOTAL INDIA ₹	5,67,66,274	5,79,94,554	5,97,70,408	6,27,29,000	5,93,12,000	6,18,21,000
Equivalent in Sterling £	3,784,418	3,866,304	3,984,693	4,181,900	3,954,100	4,121,400
England £	2,036	1,725	1,729	1,300	1,800	1,300
TOTAL EXPENDITURE £	3,786,454	3,868,029	3,986,422	4,183,200	3,955,900	4,122,700

8. The Imperial expenditure shown against "Other Provinces" in the table at page 21 represents the cost of survey and record-of-right operations on a large scale in Bengal and in Bihar and Orissa, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces."

REVENUE.

(*a*) *Wholly Imperial.*

Revised, 1914-15. 9. The Revised estimate for 1914-15 is less than the Budget by ₹4·61 lakhs, the decline being mainly due to the postponement of the recovery of survey and settlement charges in Bengal and in Bihar and Orissa. Provision for the recovery of the suspended revenue has been made in the Budget estimate for 1915-16, and this mainly accounts for the increase of ₹3·60 lakhs in the latter over the Revised estimate for the current year.

Budget, 1915-16.

(*b*) *Divided and wholly Provincial.*

Revised, 1914-15. 10. The total collections in 1914-15 are likely to fall short of the Budget estimate by ₹76·69 lakhs. The decline is shared by all the provinces, with the exception of the United Provinces, and is due chiefly to the economic depression which has resulted from the war, as well as to the damage done to the crops in certain districts in Madras, Bihar and elsewhere by a deficient or excessive rainfall. There will be a large shortage of ₹35·37 lakhs in Burma, where both the rice trade and the mining industry have been affected by the European war, while the crops in certain districts have suffered from floods or excessive rainfall; of ₹23·28 lakhs in Madras, due mainly to the unfavourable character of the season in certain districts; of ₹11·27 lakhs in the Central Provinces, where the need for remissions and suspensions consequent on the partial failure of last year's spring crops has proved larger than had been anticipated; and of ₹7·18 lakhs in Bengal, mainly in consequence of smaller collections from Government estates in the eastern districts owing to the slackness in the jute trade. In the United Provinces alone, a large improvement of ₹13·82 lakhs is expected over the Budget estimate, the excellent harvests of the current year having made it possible to recover a larger portion of the outstanding arrears than was anticipated.

Budget, 1915-16. 11. The total Budget for 1915-16 exceeds the Revised estimate for 1914-15 by ₹167·24 lakhs. The estimates have been framed, as usual, on the basis of normal monsoon conditions in the ensuing year, and they provide generally for some recovery from the depression of the current year. Important increases over the Revised estimate of the current year are assumed, in the United Provinces (₹49·22 lakhs), Burma (₹39·57 lakhs), Madras (₹26·53 lakhs), the Central Provinces (₹22·68 lakhs), Bombay (₹8·91 lakhs), and the Punjab (₹7·16 lakhs), in consequence of a growth in the revenue demand, the absence of the special remissions and suspensions required in the current year and a larger recovery of outstanding arrears.

EXPENDITURE.

(*a*) *Wholly Imperial.*

Revised, 1914-15. 12. The saving of ₹3·85 lakhs in the Budget grant of 1914-15 is chiefly due to lapses in the provision for survey and settlement expenditure in Bengal and in Bihar and Orissa. The increase (₹3·83 lakhs) in the Budget estimate for 1915-16 over the Revised for the current year also occurs mostly in the same item of expenditure.

Budget, 1915-16.

(b) Divided and wholly Provincial.

13. The Revised estimate for the current year is taken at R30·32 lakhs less than the Budget estimate. The bulk of the reduction occurs in Madras (R22·91 lakhs) and is chiefly due to a change in the method of distribution of the charges of district administration and of certain village services in the Presidency between this head and the heads "Law and Justice—Courts of Law" and "Police." A considerable saving of R5·09 lakhs is expected in the United Provinces, owing mainly to the non-utilisation of the provision made in the Budget for the revision of pay of clerical establishments. Some lapses in Budget grants are also expected in the other provinces, but in the Central Provinces, Bengal, and the Punjab they will be more than counterbalanced by the additional expenditure resulting from the recall from leave of officers of the Indian Civil Service, and the payment of grain compensation allowance in the last-named province. *Revised, 1914-15.*

14. The total Budget estimate for 1915-16 is R21·26 lakhs higher than the Revised for the current year. The increase is distributed over all the provinces, with the exception of Bihar and Orissa. A general factor contributing to the excess is that the estimates have been framed on the assumption that the restrictions which have recently been imposed on the grant of leave out of India will remain in operation during the whole of the ensuing year. Provision has accordingly been made in all the provinces for the full sanctioned scale of the Indian Civil Service and also for the continued operation of the temporary time-scale rates of minimum pay recently sanctioned for members of the Service; but the resultant increase in expenditure is more than counterbalanced in Bihar and Orissa by a reduction in the grant for survey and settlement operations, and is obscured in some of the other provinces by retrenchments in other directions. Provision has again been made in the United Provinces for the scheme for the revision of pay of clerical establishments; and special allotments have been made in the Punjab for the revision of clerical establishment and for the creation of a new district, and in Madras for the revision of pay of certain village establishments. *Budget, 1915-16.*

II AND 4.—OPIUM.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
INDIA.						
Revenue—						
Bengal—Sale of Opium	7,48,64,728	4,98,05,735	1,91,92,177	2,24,40,000	1,86,98,000	2,22,78,000
Bombay—Pass and Auction Fees	1,03,99,105	2,20,99,645	4,12,500	...	...	...
Excise Opium and other Revenue	41,55,337	49,63,493	47,68,501	51,46,000	47,94,000	46,92,000
TOTAL ₹	8,94,19,170	7,68,68,873	2,43,73,178	2,75,86,000	2,34,92,000	2,69,70,000
Equivalent in Sterling £	5,961,278	5,124,592	1,624,878	1,839,100	1,566,100	1,798,000
Expenditure—						
Purchase of Opium, including payments to Cultivators	93,34,254	76,70,577	1,39,32,608	85,09,000	86,01,000	1,23,91,000
Other Charges	15,83,522	13,20,747	12,42,832	13,60,000	12,58,000	12,97,000
TOTAL INDIA ₹	1,09,17,776	89,91,324	1,51,75,440	98,69,000	98,59,000	1,36,88,000
Equivalent in Sterling £	727,852	599,422	1,011,696	657,900	657,200	912,500
ENGLAND.						
Miscellaneous Charges £	1,600	307	744	500	600	400
TOTAL £	729,452	599,729	1,012,440	658,400	657,800	912,900
Statistics—						
Bengal—						
Chests sold Certificated	(a)26,860	4,690	...	...	...	...
Chests sold Uncertificated		13,200	9,070	13,200	11,780	13,480
Average price Certificated	₹2,787	₹5,098	...	...	...	...
Average price Uncertificated		₹1,963	2,116	₹1,700	₹1,537	₹1,653
Chests produced	15,000	14,000	7,000	...	12,000	...
Chests in Balance, March 31	20,708	16,817	14,747	...	14,967	...
Reserve, December 31	11,018	6,118	11,117	4,917	6,269	4,611
Bombay—						
Chests passed for export	7,362	10,881	...	...	...	...
Rate of duty (Government share)	₹600,₹800 and ₹900	₹900	...	...	...	...
Government share of auction proceeds	₹14,88,000	₹1,18,02,000	...	...	...	...

(a) Inclusive of 100 chests supplied to the Government of the Straits Settlements in March 1911, the price of which was realised in 1911-12.

REVENUE.

(1) *Bengal Opium.*

Revised, 1914-15.

15. The Budget estimate for 1914-15 provided for the sale of 13,200 chests of Bengal opium at an average price of ₹1,700 per chest for export to non-China markets. The opium market was much disturbed in the months following the outbreak of war; and in the monthly sale in August, an average price of ₹1,212 only was realized. Though there was an improvement in price in the subsequent months as a result of the decision not to sell opium below a fixed price of ₹1,600 a chest, the number of chests offered was not sold in full in the sales from September to January. Taking into account

opium supplied to the Governments of the Straits Settlements and Hong Kong and sold in England for medical purposes, it is expected that about 11,800 chests will be disposed of in the current year, the proceeds amounting to R186·98 lakhs.

16. The amount of opium notified for sale by auction in 1915-16 was based on the usual standard of 13,200 chests after deducting the expected requirements of the Straits Settlements which are now directly supplied by the Government of India. The demands of the latter have been temporarily reduced, but this is more than counterbalanced by an anticipated demand for the supply of opium to the home markets for medical purposes. A slightly better average rate than that obtained in the current year is also expected. The Budget estimate of revenue from Bengal opium is accordingly taken at R222·78 lakhs. *Budget, 1915-16.*

(2) *Excise Opium and other Revenue.*

17. The fall of R3·52 lakhs in the revenue in the current year as compared with the Budget estimate, and the further decline of R1·02 lakhs anticipated in 1915-16 as compared with the Revised estimate for the current year, are mainly due to a fall in the consumption of opium in India following on the economic depression which has resulted from the war. Only the cost of production of opium so consumed is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue. *Revised, 1914-15.* *Budget, 1915-16.*

EXPENDITURE.

18. The total Revised estimate for 1914-15 does not differ materially from the Budget, a saving of R1·02 lakhs in the grant for establishments and incidental expenditure being nearly counterbalanced by an increase in the outlay on the purchase of opium. The Budget estimate for 1915-16 includes a special provision for purchases in Malwa to supplement the supply of Bengal opium. *Revised, 1914-15.* *Budget, 1915-16.*

III AND 5.—SALT.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
REVENUE.						
Northern India (*a*) .	1,14,69,735	1,19,34,460	1,19,33,135	1,19,00,000	1,44,58,000	1,00,00,000
Burma (*b*) . . .	22,07,335	21,19,131	22,24,656	22,50,000	22,70,000	22,00,000
Assam . . .	...	1,246	897	1,000	1,000	1,000
Bengal (new) (*b*) . .	...	1,18,85,280	1,30,41,436	1,29,00,000	1,40,00,000	1,32,00,000
Bihar and Orissa . .	...	1,329	1,314	2,000	1,000	1,000
Madras (*a*) . . .	1,07,48,794	1,10,73,645	1,11,65,670	1,12,00,000	1,15,50,000	1,16,30,000
Bombay (*a*) . . .	1,38,43,414	1,30,00,514	1,33,12,469	1,33,00,000	1,43,00,000	1,30,00,000
Eastern Bengal (*b*) .	12,49,966	...	...	...	...	...
Bengal (*b*) . . .	1,13,48,436	...	...	...	...	...
TOTAL ₹	5,08,68,180	5,00,15,605	5,16,79,577	5,15,53,000	5,65,80,000	5,00,32,000
Equivalent in Sterling £	3,391,212	3,334,374	3,445,305	3,436,900	3,772,000	3,335,400
CHARGES.						
Establishment charges .	41,61,308	43,04,413	43,77,303	44,87,000	44,10,000	44,53,000
Cost of salt purchased by Government . .	13,55,102	12,95,619	10,91,399	13,69,000	10,96,000	13,99,000
Total India ₹	55,16,410	56,00,032	54,68,702	58,56,000	55,06,000	58,52,000
Equivalent in Sterling £	367,761	373,335	364,580	390,400	367,100	390,100
England . . . £	729	673	793	900	1,500	900
TOTAL £	368,490	374,008	365,373	391,300	368,600	391,000
Total Consumption Mds.	4,75,50,000	4,72,63,000	4,83,05,000	4,82,80,000	5,09,70,000	4,65,00,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported Salt.

REVENUE.

Revised, 1914-15.

19. The Revised estimate for 1914-15 exceeds the Budget by ₹50·27 lakhs. The increase is mostly due to speculative clearances and replenishment of stock, as well as to advance payment of revenue, in the expectation of an enhancement of the salt duty. The abnormal circumstances which have inflated the revenue in the current year will, however, tend to depress it in the ensuing year, and the Budget estimate for 1915-16 has been taken at ₹65·48 lakhs less than the Revised estimate for 1914-15.

Budget, 1915-16.

EXPENDITURE.

Revised, 1914-15.

20. The total Revised estimate for the current year is less than the Budget by ₹3·41 lakhs. The bulk of the decrease is due to a lapse in the grant for the purchase of salt from private manufacturers, mainly in Madras. A saving of ₹·77 lakh is also expected in establishment charges, owing chiefly to the non-utilisation of the provision for the reorganization of the Salt and Excise departments in Bihar and Orissa.

Budget, 1915-16.

21. The Budget estimate for 1915-16 exceeds the Revised of the current year by ₹3·36 lakhs. The increase is mostly due to a higher provision for the purchase of local salt in Madras and elsewhere to meet increased demands, resulting from the war, on the part of provinces which have hitherto depended on foreign salt.

IV AND 6.—STAMPS.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	3,99,058	4,20,034	4,46,004	4,25,000	4,24,000	4,34,000
2. Delhi	...	1,44,745	3,06,098	3,07,000	3,32,000	3,18,000
3. Baluchistan	90,832	90,039	99,961	92,000	88,000	93,000
4. North-West Frontier	5,69,412	5,89,353	6,67,211	7,25,000	6,13,000	6,10,000
TOTAL	10,59,302	12,44,171	15,19,274	15,49,000	14,57,000	14,55,000
Divided.						
1. Central Provinces	33,60,466	37,14,485	39,39,587	39,75,000	36,34,000	36,51,000
2. Burma	36,71,210	36,07,651	36,19,029	35,50,000	33,50,000	33,50,000
3. Assam	...	13,02,212	13,99,197	15,00,000	14,18,000	15,00,000
4. Bengal (new)	...	2,07,43,853	2,19,10,831	2,23,00,000	2,02,00,000	2,03,00,000
5. Bihar and Orissa	...	65,88,385	67,62,790	68,00,000	67,00,000	68,00,000
6. United Provinces	1,09,90,235	1,14,90,127	1,19,51,748	1,19,00,000	1,17,00,000	1,20,00,000
7. Punjab	52,57,021	55,23,437	56,24,557	56,00,000	55,00,000	56,00,000
8. Madras	1,27,25,416	1,36,15,386	1,41,67,816	1,46,30,000	1,37,70,000	1,38,50,000
9. Bombay	76,63,815	82,07,019	88,79,758	87,70,000	79,50,000	81,00,000
Eastern Bengal and Assam.	1,11,61,673	...	...	...	...	...
Bengal (old)	1,63,37,802	...	...	...	...	...
TOTAL	7,11,67,638	7,47,92,555	7,82,55,113	7,90,25,000	7,42,22,000	7,51,51,000
TOTAL REVENUE ₹	7,22,26,940	7,60,36,726	7,97,74,387	8,05,74,000	7,56,79,000	7,66,06,000
Distribution of Total Revenue :—						
Court Fees and Plain Paper	4,88,85,517	5,06,05,217	5,27,70,185	5,30,00,000	5,13,46,000	5,23,14,000
Commercial and other stamps	2,22,91,676	2,43,06,491	2,56,19,186	2,62,18,000	2,30,70,000	2,30,97,000
Other Revenue	10,49,747	11,25,018	13,85,016	13,56,000	12,63,000	11,95,000
Equivalent of total revenue in Sterling £	4,815,129	5,069,115	5,318,293	5,371,600	5,045,300	5,107,100

EXPENDITURE.

Imperial.						
1. India General :—						
(*i*) Superintendence and other charges	2,19,860	2,79,790	2,51,270	2,57,000	2,50,000	2,48,000
(*ii*) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments.	—18,18,808	—17,65,054	—17,15,604	—17,36,000	—16,37,000	—16,33,000
2. Delhi	...	3,875	6,659	6,000	7,000	7,000
3. Baluchistan	1,340	1,393	1,432	1,000	1,000	1,000
4. North-West Frontier	21,953	22,966	26,391	26,000	22,000	24,000
TOTAL	—15,75,655	—14,57,030	—14,29,852	—14,46,000	—13,57,000	—13,53,000
Divided.						
1. Central Provinces	1,26,550	1,24,034	1,29,551	1,35,000	1,35,000	1,30,000
2. Burma	1,02,695	1,02,919	1,01,592	1,07,000	1,01,000	1,08,000
3. Assam	...	54,143	59,383	60,000	52,000	53,000
4. Bengal (new)	...	7,07,370	7,23,132	7,52,000	5,51,000	6,05,000
5. Bihar and Orissa	...	2,12,628	2,15,483	2,45,000	1,88,000	1,96,000
6. United Provinces	2,74,466	2,90,303	3,16,617	3,06,000	2,47,000	2,51,000
7. Punjab	1,76,897	1,82,948	1,91,685	1,76,000	1,84,000	1,91,000
8. Madras	4,48,473	4,95,075	4,46,089	4,82,000	4,50,000	4,64,000
9. Bombay	2,27,638	2,39,063	2,45,299	2,46,000	2,40,000	2,43,000
Eastern Bengal and Assam	4,44,942	...	...	...	...	...
Bengal (old)	4,37,871	...	...	...	...	...
TOTAL	22,39,532	24,08,483	24,28,831	25,09,000	21,48,000	22,41,000
TOTAL INDIA. ₹	6,63,877	9,51,453	9,98,979	10,63,000	7,91,000	8,88,000
Equivalent in Sterling £	44,259	63,430	66,598	70,900	52,700	59,200
England £	89,931	90,468	106,545	80,700	61,000	92,000
TOTAL EXPENDITURE £	134,190	153,898	173,143	151,600	113,700	151,200

REVENUE.

(*a*) *Wholly Imperial.*

Revised, 1914-15. 22. The total Revised estimate for 1914-15 is less than the Budget by R·92 lakh. The bulk of the reduction occurs in the revenue from judicial stamps in the North-West Frontier Province. The total Budget for 1915-16 does not differ materially from the Revised estimate of the current year.

Budget, 1915-16

(*b*) *Divided.*

Revised, 1914-15. 23. The total revenue in 1914-15 is likely to fall short of the Budget estimate by R48·03 lakhs. The heavy decline, which is shared by all the provinces and is largest in Bengal, reflects the disturbance of trade and business that has resulted from the European war. The revenue from non-judicial stamps is expected to fall off by over R31 lakhs, while there will be a decline of about R16 lakhs in the revenue from court-fee stamps.

Budget, 1915-16. 24. The Budget for 1915-16 provides for a moderate recovery in revenue in all provinces, and is taken at R9·29 lakhs higher than the Revised estimate for 1914-15. Nearly the whole of the improvement is anticipated in the revenue from judicial stamps.

EXPENDITURE.

25. The cost of all stamps and stamp paper supplied from England is charged under this head, and an adjustment is made in India transferring to Posts and Telegraphs the cost of stamps used for postal and telegraph purposes. Similarly the cost of revenue stamps supplied to Local Governments and Administrations is debited to them in the Provincial section of the accounts by *per contra* credit in the Imperial section under this head. The credits on both these accounts are shown against item 1 (ii) under Expenditure in the table on page 27.

(*a*) *Wholly Imperial including outlay in England.*

Revised, 1914-15. 26. The Revised estimate for 1914-15 is less than the Budget by R2·06 lakhs, while the grant for 1915-16 is R4·69 lakhs higher than the Revised estimate for the current year. These variations occur mostly in the outlay in England on the purchase of stamps.

Budget, 1915-16.

(*b*) *Divided.*

Revised, 1914-15. 27. The Revised estimate for 1914-15 is R3·61 lakhs less than the Budget provision. The decrease is due partly to the fall in revenue and partly to a reduction in the cost of stamps and stamp paper. The increase in expenditure provided in the Budget for 1915-16 is a necessary concomitant of the anticipated improvement in revenue.

Budget, 1915-16.

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	15,46,244	16,15,369	16,52,238	16,22,000	16,14,000	15,87,000
2. Delhi	...	1,32,024	2,70,569	2,64,000	2,88,000	2,95,000
3. Baluchistan	2,74,294	2,79,253	2,79,743	2,72,000	2,77,000	2,65,000
4. North-West Frontier	3,16,143	4,04,055	3,50,113	3,50,000	3,70,000	3,33,000
Total	21,36,681	24,30,701	25,52,663	25,08,000	25,49,000	24,80,000
Divided and wholly Provincial.						
1. Central Provinces	91,12,523	1,06,04,485	1,16,24,099	1,16,00,000	1,10,00,000	1,06,16,000
2. Burma	72,96,647	81,15,928	83,42,572	84,00,000	86,93,000	78,10,000
3. Assam	...	48,52,038	52,58,690	53,50,000	53,93,000	55,03,000
4. Bengal (new)	...	1,37,59,045	1,53,88,578	1,58,00,000	1,55,00,000	1,60,00,000
5. Bihar and Orissa	...	1,03,85,670	1,12,60,115	1,16,32,000	1,16,00,000	1,19,00,000
6. United Provinces	1,11,31,787	1,25,95,095	1,33,03,687	1,29,00,000	1,24,00,000	1,25,00,000
7. Punjab	64,00,303	70,11,862	69,13,580	74,38,000	69,52,000	70,45,000
8. Madras	3,00,64,174	3,31,86,831	3,65,11,075	3,91,00,000	3,64,50,000	3,64,00,000
9. Bombay	2,02,94,345	2,12,27,132	2,22,59,446	2,27,00,000	2,16,00,000	2,16,00,000
Eastern Bengal and Assam	82,81,696	...	...	...	...	...
Bengal (old)	1,94,28,129	...	...	...	...	...
Total	11,20,09,604	12,17,38,086	13,08,61,842	13,49,20,000	12,95,88,000	12,93,74,000
TOTAL REVENUE ₹	11,41,46,285	12,41,68,787	13,34,14,505	13,74,28,000	13,21,37,000	13,18,54,000
Equivalent in Sterling £	7,609,753	8,277,919	8,894,300	9,161,900	8,809,100	8,790,300

EXPENDITURE.

Imperial.						
1. India General	1,42,048	98,244	98,545	89,000	1,00,000	1,04,000
2. Delhi	...	2,380	6,232	7,000	6,000	7,000
3. Baluchistan	10,471	12,814	11,655	21,000	15,000	15,000
4. North-West Frontier	14,602	13,372	12,929	24,000	14,000	23,000
Total	1,67,121	1,26,810	1,29,361	1,41,000	1,35,000	1,49,000
Divided and wholly Provincial.						
1. Central Provinces	2,89,952	3,18,868	3,46,508	4,27,000	4,43,000	5,71,000
2. Burma	11,92,968	12,59,119	12,68,898	13,14,000	12,76,000	13,00,000
3. Assam	...	1,11,964	1,14,400	1,15,000	1,20,000	1,18,000
4. Bengal (new)	...	5,97,657	6,25,743	8,77,000	7,41,000	8,02,000
5. Bihar and Orissa	...	5,20,700	5,50,017	6,61,000	5,71,000	6,19,000
6. United Provinces	3,92,403	4,11,688	4,34,532	4,36,000	4,52,000	4,82,000
7. Punjab	1,71,360	1,85,191	1,85,580	2,48,000	2,15,000	2,49,000
8. Madras	17,83,536	18,16,745	18,20,840	18,97,000	18,29,000	19,16,000
9. Bombay	10,57,043	10,79,786	10,85,613	11,81,000	11,51,000	11,72,000
Eastern Bengal and Assam	3,21,032	...	...	...	...	...
Bengal (old)	9,11,723	...	...	...	...	...
Total	61,20,017	63,01,717	64,32,131	71,56,000	67,98,000	72,29,000
Total India ₹	62,87,138	64,28,527	65,61,492	72,97,000	69,33,000	73,78,000
Equivalent in Sterling £	419,142	428,568	437,433	486,500	462,200	491,900
England £	111	3	96	...	400	200
TOTAL EXPENDITURE £	419,253	428,571	437,529	486,500	462,600	492,100

REVENUE.

(a) *Wholly Imperial.*

28. The figures do not show any important variation.

(b) *Divided and wholly Provincial.*

Revised, 1914-15.

29. The total Revised estimate for 1914-15 is less than the Budget by no less than R53·32 lakhs. The heavy decline is due to the set-back in prosperity and the rise in food prices which have followed on the war. It is shared by all the provinces, with the exception of Burma, where the licence fees for the sale of liquor fixed at the auctions in April have exceeded Budget anticipation, and of Assam, where a fall in the revenue derived from the manufacture and sale of liquors is more than counterbalanced by a rise in the yield of the excise duty on opium. About half of the total decrease is expected in Madras (R26·50 lakhs).

Budget, 1915-16.

30. The total Budget for 1915-16 is R2·14 lakhs less than the Revised estimate for 1914-15. The estimates provide generally for a reduction in the consumption of stimulants, consequent on a continuance of the conditions which have tended to depress the excise revenue in the current year; but in view of the higher rates of duty and stricter excise control which are being gradually introduced, a small rise in revenue is anticipated in several provinces.

EXPENDITURE.

(a) *Wholly Imperial.*

31. The figures show little variation.

(b) *Divided and wholly Provincial.*

Revised, 1914-15.

32. The expenditure in 1914-15 is expected to fall short of the Budget provision by R3·58 lakhs. The decrease is mainly due to lapses in the special allotments made in the Budget for the reorganization of the Excise Department in Bengal and in Bihar and Orissa. The Budget estimate for 1915-16 provides generally for normal charges of sanctioned establishments. Full provision has been made in the Central Provinces and in Bengal for the introduction of schemes of departmental reorganization which have recently been sanctioned by the Secretary of State.

Budget, 1915-16.

VI AND 8.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General	10,819	14,144	2,777	1,000	1,000	1,000
2. Delhi	...	...	411	...	...	...
3. North-West Frontier.	2,773	2,279	2,777	3,000	4,000	2,000
TOTAL	13,592	16,423	5,965	4,000	5,000	3,000
Provincial.						
1. Assam	...	9,300	11,782	11,000	15,000	15,000
2. Bengal (new)	...	32,02,152	1,31,340	1,18,000	1,10,000	1,10,000
3. Bihar and Orissa	...	26,49,800	1,67,953	1,28,000	1,64,000	1,37,000
4. United Provinces	23,74,149	23,68,383	23,65,542	1,63,000	2,20,000	1,64,000
5. Punjab	27,754	36,171	20,572	30,000	42,000	31,000
Eastern Bengal and Assam	17,58,062	...	...	...	...	...
Bengal (old)	40,56,638	...	...	...	...	...
TOTAL	82,16,603	82,65,806	26,97,189	4,50,000	5,51,000	4,57,000
TOTAL REVENUE ₹	82,30,195	82,82,229	27,03,154	4,54,000	5,56,000	4,60,000
Equivalent in Sterling £	548,680	552,149	180,210	30,300	37,100	30,600

EXPENDITURE.

Provincial.						
1. Bengal (new)	...	39,209	...	...	...	...
2. Bihar and Orissa	...	33,668	...	...	...	...
Eastern Bengal and Assam	26,755	...	...	...	...	...
Bengal (old)	58,663	...	...	...	...	...
TOTAL EXPENDITURE ₹	85,418	72,877	...	...	...	...
Equivalent in Sterling £	5,695	4,859	...	...	...	...

Imperial.

33. The figures show little variation.

Provincial.

34. The Revised estimate for 1914-15 exceeds the Budget by 1·01 lakhs. More than half of the increase is expected in the United Provinces, and is due to a change in the dates of collection of the rates levied from estates managed by Government which has resulted in the recovery of an additional instalment of revenue in the current year. The Budget estimate for 1915-16 provides for normal collections in the various provinces. *Revised, 1914-15.* *Budget, 1915-16.*

VII AND 9—CUSTOMS.

SEA CUSTOMS. IMPORTS.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Special Import Duties.						
Arms, Ammunition, and Military Stores	5,17,612	6,30,051	6,63,892	6,58,000	5,21,000	5,00,000
Liquors—						
Ale, Beer, Porter, Cider and other fermented Liquors	7,99,670	8,85,778	8,72,629	8,54,000	7,00,000	7,00,000
Spirits and Liqueurs	1,10,83,333	1,11,31,614	1,19,12,702	1,18,30,000	1,09,00,000	1,04,00,000
Wines	5,75,383	5,80,074	5,82,933	5,87,000	4,33,000	4,00,000
Opium	6,430	6,940	6,791	7,000	5,000	6,000
Petroleum	75,69,066	70,26,071	70,53,109	65,00,000	92,50,000	80,00,000
Silver, Bullion and Coin	97,85,750	1,08,46,213	99,24,998	80,00,000	1,50,00,000	1,00,00,000
Sugar (countervailing duties, 1899)	448	10,911	...	...	...	...
Tobacco	25,88,039	27,41,875	29,29,526	30,08,000	27,00,000	26,00,000
General Import Duties.						
Articles of Food and Drink (excluding Sugar)	27,59,294	29,14,071	30,43,837	31,50,000	28,50,000	28,50,000
Sugar (ordinary duties)	52,33,539	73,20,846	92,33,103	92,46,000	43,00,000	40,00,000
Chemicals, Drugs, Medicines and Dyeing and Tanning Materials	16,79,326	18,48,035	18,41,175	20,00,000	13,00,000	12,00,000
Cotton Manufactures	1,56,16,332	1,92,35,646	2,12,94,239	1,80,00,000	1,53,50,000	1,40,00,000
Metals and Manufactures of Metals other than Silver	51,25,168	53,26,262	73,29,237	70,50,000	49,00,000	45,00,000
Oils (excluding Petroleum)	1,16 498	1,61,715	1,95,833	1,88,000	1,80,000	1,89,000
Manufactured Articles	1,23,53,883	1,39,04,305	1,53,40,176	1,58,50,000	1,07,00,000	1,00,00,000
Raw Materials and Unmanufactured Articles	14,76,834	16,57,950	13,77,488	13,17,000	13,27,000	13,00,000
TOTAL IMPORTS	7,72,86,605	8,62,28,357	9,36,01,868	8,82,45,000	8,04,16,000	7,06,45,000
EXCISE DUTY ON COTTON GOODS	48,79,478	56,15,711	54,38,863	56,58,000	47,08,000	50,00,000
EXPORT DUTIES—						
Rice	1,36,23,196	1,47,52,506	1,28,75,686	1,31,79,000	89,49,000	1,20,00,000
LAND CUSTOMS AND MISCELLANEOUS.	12,39,220	13,61,856	14,56,885	14,70,000	14,20,000	15,00,000
GRAND TOTAL ₹	9,70,28,499	10,79,58,430	11,33,73,302	10,85,52,000	9,54,93,000	8,91,45,000
Equivalent in Sterling £	6,468,567	7,197,229	7,558,220	7,236,800	6,366,200	5,943,000
CHARGES ₹	37,53,695	38,56,892	39,12,274	40,98,000	40,29,000	41,33,000
Equivalent in Sterling £	250,246	257,126	260,818	273,200	268,600	275,500
England £	467	162	434	300	600	300
TOTAL £	250,713	257,288	261,252	273,500	269,200	275,800

REVENUE.

Revised, 1914-15.

35. The Customs revenue in 1914-15 has suffered heavily from the dislocation of India's foreign trade which has been brought about by the European war. The stoppage of trade with the enemy countries; the contraction in the supply of certain commodities available for import into India which has resulted from the war; the reduction in the shipping available for the transport of private merchandise; the temporary insecurity of trade routes; the disturbance of economic conditions in India, and the consequent reduction in the demand for imported commodities; all these factors have reacted on the Customs revenue, the total yield of which in the current year is expected to fall short of the Budget estimate by ₹130·59 lakhs. The revenue derived from the export duty on rice has also been affected by the famine in Northern India in the earlier part of the year and the shortage in the winter rice crop in Bengal. The most important decreases occur under manufactured articles (₹51·50 lakhs); sugar (₹49·46 lakhs); export duty on rice (₹42·30 lakhs); import duty on cotton manufactures (₹26·50 lakhs); metals other than gold and silver, and manufactures thereof (₹21·50 lakhs); excise duty on cotton goods (₹9·50 lakhs); spirits

and liqueurs (9·30 lakhs); and chemicals, drugs, medicines and dyeing and tanning materials (₹7 lakhs). On the other hand, a considerable rise is expected in the yield of the duty on silver (₹70 lakhs), the imports of which have been stimulated by low prices; and on petroleum, (₹27·50 lakhs), owing to the heavy imports into India of American oil which has been displaced from other markets in consequence of the war.

Budget, 1915-16.

36. The Budget estimate for 1915-16 is taken at ₹63·48 lakhs less than the Revised for the current year. Allowance has been made for the probable effects of the war on the import trade during twelve months in the ensuing year, as against eight months in 1914-15. But at the same time it has been assumed that the external trade will recover to some extent. Under most heads, therefore, only a moderate provision has been made for a further decline in revenue; but important reductions are anticipated under silver (₹50 lakhs) and petroleum (₹12·50 lakhs), the imports of which have been unusually heavy in the current year, and under cotton manufactures (₹13·50 lakhs) in view of the congestion which has prevailed in the market for some time and which will be accentuated by the economic depression. On the other hand, a substantial improvement of ₹30·51 lakhs is expected in the yield of the export duty on rice, in view of improved conditions of agriculture in India.

EXPENDITURE.

Revised, 1914-15.

37. A saving of ₹·64 lakh is expected in the Budget grant for the current year mainly owing to the non-utilization of the provision made for the revision of certain establishments in Burma.

Budget, 1915-16.

The Budget estimate for 1915-16 provides for normal expenditure on sanctioned establishments.

VIII AND 10.—ASSESSED TAXES.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General (Civil) .	9,26,515	9,05,684	8,92,706	9,33,000	9,95,000	9,83,000
2. Delhi (Civil) . .	...	1,02,071	2,13,430	1,73,000	2,20,000	1,98,000
3. Baluchistan (Civil) .	20,306	20,910	21,089	20,000	21,000	21,000
4. North-West Frontier (Civil) . . .	1,43,555	1,45,141	1,52,860	1,53,000	1,55,000	1,56,000
5. Other Provinces (Civil) . . .	20,055	36,199	20,355	33,000	32,000	22,000
6. Non-Civil Departments . . .	14,69,426	14,86,598	15,11,918	15,48,000	15,55,000	15,39,000
Total .	25,79,857	26,96,603	28,12,358	28,60,000	29,58,000	29,19,000
Divided.						
1. Central Provinces .	7,05,639	7,41,260	8,62,741	8,50,000	8,95,000	8,32,000
2. Burma . . .	19,40,044	19,79,460	22,90,649	22,30,000	25,75,000	22,50,000
3. Assam . . .	...	4,01,856	4,27,067	4,56,000	4,13,000	4,14,000
4. Bengal (new) . .	...	55,51,652	66,37,916	61,00,000	69,00,000	61,00,000
5. Bihar and Orissa .	...	13,26,240	13,85,293	14,00,000	14,00,000	14,50,000
6. United Provinces .	24,13,961	25,18,527	26,79,138	27,00,000	26,00,000	25,53,000
7. Punjab . . .	16,21,859	16,90,367	17,19,918	17,00,000	17,20,000	17,10,000
8. Madras . . .	32,05,741	34,81,236	37,47,460	37,80,000	39,70,000	38,70,000
9. Bombay . . .	54,13,445	57,48,762	66,91,205	61,30,000	67,00,000	60,76,000
Eastern Bengal and Assam . .	13,37,314	...	...	...	...	...
Bengal (old) . .	55,75,321	...	...	...	...	...
Total .	2,22,13,324	2,34,39,360	2,64,41,387	2,53,46,000	2,71,73,000	2,52,55,000
TOTAL REVENUE ₹ .	2,47,93,181	2,61,35,963	2,92,53,745	2,82,06,000	3,01,31,000	2,81,74,000
Equivalent in Sterling £	1,652,878	1,742,397	1,950,250	1,880,400	2,008,700	1,878,300

EXPENDITURE.

Imperial.						
1. India General . .	1,504	1,410	1,566	1,000	2,000	2,000
2. Delhi . . .	...	393	1,108	2,000	1,000	1,000
3. North-West Frontier	1,376	1,164	958	1,000	1,000	1,000
Total .	2,880	2,967	3,632	4,000	4,000	4,000
Divided.						
1. Central Provinces . .	9,788	12,068	12,908	16,000	16,000	14,000
2. Burma . . .	42,311	45,248	46,539	46,000	47,000	49,000
3. Assam . . .	...	4,670	4,663	5,000	5,000	5,000
4. Bengal (new) . .	...	1,52,937	1,54,577	1,51,000	1,54,000	1,52,000
5. Bihar and Orissa .	...	39,382	44,790	44,000	45,000	45,000
6. United Provinces .	271	323	264	...	...	...
7. Punjab . . .	10,971	10,728	16,935	11,000	14,000	17,000
8. Madras . . .	37,058	36,996	39,175	40,000	41,000	57,000
9. Bombay . . .	1,15,840	1,20,490	1,45,318	1,71,000	1,69,000	1,74,000
Eastern Bengal and Assam . .	39,401	...	...	...	...	...
Bengal (old) . .	1,65,653	...	...	...	...	...
Total .	4,21,293	4,22,842	4,65,169	4,84,000	4,91,000	5,13,000
TOTAL EXPENDITURE ₹	4,24,173	4,25,809	4,68,801	4,88,000	4,95,000	5,17,000
Equivalent in Sterling £	28,278	28,387	31,254	32,500	33,000	34,500

REVENUE.

(*a*) *Imperial.*

38. The Revised estimate for 1914-15 exceeds the Budget by ₹·98 lakh, mainly in consequence of improved collections in Delhi and Ajmer-Merwara. The Budget estimate for 1915-16 provides for some decline in revenue, consequent on the economic depression in the current year, and is taken at ₹·39 lakh less than the Revised estimate for 1914-15. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Divided.*

39. The total revenue in the current year is likely to exceed the Budget by ₹18·27 lakhs. About three-fourths of the improvement will occur in Bengal (₹8 lakhs) and Bombay (₹5·70 lakhs), where cautious estimates were adopted last year in view of the bank failures and their probable effect on certain industries. Important increases are also expected in Burma (₹3·45 lakhs) and in Madras (₹1·90 lakhs); but, on the other hand, the revenue in the United Provinces will fall short of the Budget estimate by ₹1 lakh, owing partly to a falling off in the profits of the Bengal and North-Western Railway. *Revised, 1914-15.*

40. The Budget estimate for 1915-16 is taken at ₹19·18 lakhs less than the Revised for 1914-15. Economic depression will tend to reduce the profits of companies and industrial concerns in the current year, which will form the basis of the assessments for next year's revenue. The bulk of the decline is expected naturally in the maritime provinces of Bengal (₹8 lakhs), Bombay (₹6·24 lakhs), Burma (₹3·25 lakhs) and Madras (₹1 lakh). *Budget, 1915-16.*

EXPENDITURE.

41. The figures show little variation.

IX AND 11.—FOREST.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General .	8,59,920	7,88,622	8,26,213	8,33,000	5,80,000	6,80,000
2. Baluchistan . .	20,118	20,158	19,937	21,000	20,000	21,000
3. North-West Frontier	1,58,171	2,37,183	2,66,741	2,48,000	2,37,000	2,36,000
Total .	10,38,209	10,45,963	11,12,941	11,02,000	8,37,000	9,37,000
Provincial.						
1. Central Provinces .	25,49,854	31,71,815	31,86,454	31,60,000	34,70,000	31,00,000
2. Burma . . .	99,67,594	1,10,07,715	1,15,71,965	1,18,14,000	99,29,000	1,04,34,000
3. Assam . . .	...	11,42,091	10,97,969	13,46,000	9,50,000	11,68,000
4. Bengal (new) . .	...	16,00,601	16,16,111	16,00,000	13,10,000	14,50,000
5. Bihar and Orissa .	...	4,38,958	4,91,735	5,10,000	5,20,000	5,12,000
6. United Provinces .	30,16,160	35,43,963	37,12,487	47,29,000	32,81,000	40,91,000
7. Punjab . . .	13,10,077	12,39,032	13,54,943	14,50,000	13,60,000	14,20,000
8. Madras . . .	41,68,921	41,12,474	42,00,320	41,50,000	38,70,000	41,25,000
9. Bombay . . .	43,30,569	49,92,519	51,03,156	45,50,000	44,50,000	45,00,000
Eastern Bengal and Assam . .	17,78,863	...	...	...	...	...
Bengal (old) . .	11,22,442	...	...	...	...	...
Total .	2,82,44,480	3,12,49,168	3,23,35,140	3,33,09,000	2,91,40,000	3,08,00,000
TOTAL INDIA ₹	2,92,82,689	3,22,95,131	3,34,48,081	3,44,11,000	2,99,77,000	3,17,37,000
Equivalent in Sterling £	1,952,179	2,153,009	2,229,872	2,294,000	1,998,500	2,115,800

EXPENDITURE.

Imperial.						
1. India General . .	8,02,202	8,53,535	9,12,162	10,76,000	10,23,000	12,20,000
2. Delhi . . .	...	1,281	...	...	...	7,000
3. Baluchistan . .	28,947	28,526	25,310	30,000	27,000	30,000
4. North-West Frontier	89,436	1,22,173	1,31,023	1,23,000	1,23,000	1,21,000
Total .	9,20,585	10,05,515	10,68,495	12,29,000	11,73,000	13,78,000
Provincial.						
1. Central Provinces .	18,38,379	19,46,735	19,53,129	18,60,000	19,24,000	18,85,000
2. Burma . . .	42,57,225	41,57,077	42,75,066	49,38,000	48,33,000	45,58,000
3. Assam . . .	...	8,08,910	9,10,240	9,99,000	9,58,000	8,62,000
4. Bengal (new) . .	...	6,60,794	6,40,157	7,27,000	6,84,000	6,66,000
5. Bihar and Orissa .	...	3,56,611	3,55,648	4,00,000	3,96,000	3,89,000
6. United Provinces .	13,63,672	16,29,262	18,96,014	32,01,000	22,84,000	29,94,000
7. Punjab . . .	7,65,146	7,99,177	9,19,177	10,61,000	9,24,000	9,86,000
8. Madras . . .	34,14,882	31,50,482	29,35,817	31,63,000	28,30,000	30,50,000
9. Bombay . . .	26,64,436	26,92,455	25,89,878	25,68,000	25,50,000	25,43,000
Eastern Bengal and Assam . .	11,09,591	...	...	...	...	...
Bengal (old) . .	7,06,374	...	...	...	...	...
Total .	1,61,19,705	1,62,01,503	1,64,75,126	1,89,17,000	1,73,83,000	1,79,33,000
TOTAL INDIA ₹	1,70,40,290	1,72,07,018	1,75,43,621	2,01,46,000	1,85,56,000	1,93,11,000
Equivalent in Sterling £	1,136,019	1,147,134	1,169,575	1,343,100	1,237,100	1,287,400
England . . £	6,183	5,451	4,913	5,200	4,700	4,900
TOTAL EXPENDITURE £	1,142,202	1,152,585	1,174,488	1,348,300	1,241,800	1,292,300
NET REVENUE £	809,977	1,000,424	1,055,384	945,700	756,700	823,500

REVENUE.

(*a*) *Imperial.*

42. The decrease of R2·65 lakhs in the revenue in the current year as compared with the Budget estimate occurs mainly in Coorg and Port Blair, and is due to a fall in the demand for timber in consequence of the financial disturbance caused by war conditions. The Budget estimate of 1915-16 provides for a slight recovery in the revenue in these provinces. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

43. The Revised estimate for 1914-15 falls short of the Budget by R41·69 lakhs. There is a large decrease of R14·48 lakhs in the United Provinces, due mainly to delay in the introduction of the scheme for the supply of sleepers to State railways; and of R18·85 lakhs in Burma, where the demand for teak has been seriously affected. The slump in the timber market has affected the receipts in most other provinces also; and in the Central Provinces alone, the revenue is expected to exceed the Budget estimate, owing to a large demand and excellent prices for timber in the earlier months and the introduction of new grazing rules in Berar. *Revised, 1914-15.*

44. The Budget estimate for 1915-16 is taken at R16·60 lakhs more than the Revised estimate of the current year. The bulk of this improvement is expected in the United Provinces (R8·10 lakhs), mainly in connection with the scheme for the supply of sleepers to State railways and the expansion of the resin industry. In the other provinces, the estimates generally assume a moderate recovery in the demand for timber. But in the Central Provinces, allowance has been made for a decline of R3·70 lakhs, as compared with the Revised estimate for 1914-15, in view of the high receipts in the current year. *Budget, 1915-16.*

EXPENDITURE.

(*a*) *Imperial.*

45. The Revised estimate for 1914-15 is less than the Budget by R·56 lakh, chiefly in consequence of a lapse in the grant for the erection of a saw mill at Port Blair. The Budget for 1915-16 exceeds the Revised estimate of the current year by R2·05 lakhs, mainly owing to further provision for this item of expenditure and for a steam launch at Port Blair. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

46. The total expenditure in 1914-15 is expected to fall short of the Budget provision by R15·34 lakhs. The bulk of this reduction occurs in the United Provinces (R9·17 lakhs), and is due mainly to delay in the introduction of the scheme for the supply of sleepers to State railways, but partly also to lapses in ordinary and special grants. Important savings in the grants for conservancy and works are expected in Madras (R3·33 lakhs), the Punjab (R1·37 lakhs), Burma (1·05 lakhs) and most other provinces, owing chiefly to the postponement of expenditure which is not of an urgent character, in view of the financial situation. In the Central Provinces alone, there will be some excess over the Budget grant (R·64 lakh), in consequence of expenditure entailed by special grass operations. *Revised, 1914-15.*

47. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R5·50 lakhs. There is an increase of R7·10 lakhs in the United Provinces, mainly in connection with the scheme for the supply of sleepers to State railways and special outlay on the development of forests; and of R2·20 lakhs in Madras, due chiefly to provision for the acquisition of certain leased forests in the Nilghiri district. In the Punjab also, the Budget allows for a slightly higher scale of expenditure on the development of forests. In the other provinces, however, the grants provide for a reduction in the scale of expenditure attained in the current year, in consequence of the financial stringency; and in Burma, where the Provincial revenues are expected to suffer seriously from the effects of the war, the Budget estimate has been fixed at R2·75 lakhs less than the Revised estimate for the current year. *Budget, 1915-16.*

X AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General	23,398	26,587	25,538	27,000	22,000	20,000
2. Delhi	...	10,173	22,674	22,000	24,000	24,000
3. Baluchistan	3,313	3,394	3,096	3,000	3,000	3,000
4. North-West Frontier	40,683	40,818	44,958	44,000	44,000	44,000
Total	67,394	80,972	96,266	96,000	93,000	91,000
Provincial.						
1. Central Provinces	3,49,449	3,89,805	4,18,084	4,10,000	3,93,000	4,00,000
2. Burma	2,02,499	2,26,167	2,48,155	2,50,000	2,44,000	2,50,000
3. Assam	...	93,275	1,08,711	1,04,000	1,16,000	1,15,000
4. Bengal (new)	...	18,23,161	20,16,144	20,50,000	18,00,000	19,00,000
5. Bihar and Orissa	..	5,71,280	6,28,855	6,40,000	6,50,000	6,75,000
6. United Provinces	5,94,858	6,53,393	7,04,603	6,85,000	7,07,000	7,37,000
7. Punjab	3,15,970	3,51,040	3,77,516	3,65,000	3,66,000	3,67,000
8. Madras	20,57,719	22,58,265	23,58,537	24,30,000	22,35,000	23,60,000
9. Bombay	7,43,182	7,82,479	8,27,555	8,20,000	7,80,000	8,00,000
Eastern Bengal and Assam	10,58,653	...	...	...	...	...
Bengal (old)	12,98,213	...	...	...	...	...
Total	66,20,543	71,49,365	76,88,160	77,54,000	72,91,000	76,04,000
TOTAL INDIA ₹	66,87,937	72,30,337	77,84,426	78,50,000	73,84,000	76,95,000
Equivalent in Sterling £	445,862	482,022	518,962	523,300	492,300	513,000

EXPENDITURE.

Imperial.						
1. India General	8,714	9,044	9,341	11,000	8,000	7,000
2. Delhi	...	2,645	5,880	7,000	7,000	7,000
3. Baluchistan	1,077	1,262	1,061	1,000	1,000	1,000
4. North-West Frontier	10,557	10,743	11,195	12,000	12,000	12,000
Total	20,348	23,694	27,477	31,000	28,000	27,000
Provincial.						
1. Central Provinces	1,28,069	1,29,522	1,32,386	1,34,000	1,34,000	1,35,000
2. Burma	98,040	1,02,853	1,06,644	1,15,000	1,06,000	1,09,000
3. Assam	...	55,970	58,611	68,000	65,000	74,000
4. Bengal (new)	...	10,50,903	11,26,558	11,99,000	11,51,000	11,23,000
5. Bihar and Orissa	...	3,18,603	3,32,556	3,79,000	3,62,000	3,80,000
6. United Provinces	2,93,213	2,80,523	2,89,214	2,91,000	2,94,000	3,10,000
7. Punjab	1,19,895	1,17,843	1,19,932	1,27,000	1,26,000	1,29,000
8. Madras	12,48,860	12,46,045	12,68,755	12,84,000	12,84,000	13,00,000
9. Bombay	3,80,184	3,72,027	3,69,660	3,92,000	3,74,000	3,75,000
Eastern Bengal and Assam	6,28,221	...	...	...	...	...
Bengal (old)	8,06,999	...	...	...	...	...
Total	37,03,481	36,74,289	38,04,316	39,89,000	38,96,000	39,35,000
TOTAL INDIA ₹	37,23,829	36,97,983	38,31,793	40,20,000	39,24,000	39,62,000
Equivalent in Sterling £	248,256	246,532	255,453	268,000	261,600	264,100

Imperial.

48. The figures of both revenue and expenditure in the two years show little variation and call for no remark.

Provincial.

REVENUE.

Revised, 1914-15.

49. The total revenue in 1914-15 is expected to fall short of the Budget estimate by ₹4·63 lakhs. The bulk of the decrease occurs in Bengal (₹2·50 lakhs) and Madras (₹1·95 lakhs), and is mostly due to the dislocation of trade and business which the war has brought about. A portion of the reduction is also due to the record under "26 B—Scientific and Miscellaneous Departments," of fees for the registration of Joint-Stock Companies which used to be recorded under Registration.

Budget, 1915-16.

50. The Budget estimate for 1915-16 anticipates some recovery in the revenue in Bengal and Madras, and is taken at ₹3·13 lakhs higher than the Revised estimate for 1914-15.

EXPENDITURE.

Revised, 1914-15.

51. The saving of ₹·93 lakh in the Budget grant for 1914-15 is mainly due to the record under "26 B—Scientific and Miscellaneous Departments," of the charges of the Registrars of Joint-Stock Companies for which Budget provision was made under Registration. The total Budget estimate for 1915-16 does not differ materially from the Revised estimate for 1914-15.

Budget, 1915-16.

XI.—TRIBUTES.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915		Budget, 1915-1916
				Budget.	Revised.	
Imperial.						
1. India General .	21,34,346	20,68,974	19,61,417	18,69,000	18,40,000	20,02,000
2. Central Provinces .	2,35,437	2,37,937	2,42,687	2,39,000	2,39,000	2,39,000
3. Burma . .	4,33,900	4,53,900	4,53,900	4,56,000	4,53,000	4,53,000
4. Assam . . .	...	50,100	50,100	50,000	50,000	50,000
5. Bengal (new) . .	...	67,701	67,701	68,000	68,000	68,000
6. Bihar and Orissa .	...	85,500	85,499	87,000	86,000	86,000
7. United Provinces .	3,13,223	3,28,777	3,21,000	3,21,000	3,21,000	3,21,000
8. Punjab . . .	1,48,283	1,41,874	1,45,391	1,44,000	1,44,000	1,44,000
9. Madras . .	44,96,519	44,96,519	44,96,519	44,97,000	44,97,000	44,97,000
10. Bombay . .	10,60,911	14,21,855	14,28,999	14,08,000	14,08,000	13,39,000
Eastern Bengal and Assam . .	50,200	...	...	...	...	...
Bengal (old) . .	52,250	...	...	...	...	...
TOTAL INDIA ₹ .	89,25,074	93,53,187	92,53,213	91,39,000	91,06,000	91,99,000
Equivalent in Sterling £	595,005	623,542	616,881	609,300	607,100	613,300

52. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. The figures do not ordinarily show any important fluctuations from year to year except for advance payment of sums falling due in the ensuing year, or arrears and their recovery. The Revised estimate for the current year is less than the Budget by ₹·33 lakh mainly owing to an advance payment by the Jhallawar State in 1913-14. The Budget estimate for 1915-16 provides for normal receipts and for the recovery of arrears due from the Bundi State.

Revised, 1914-15.

Budget, 1915-16.

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General . .	47,452	43,974	50,921	46,000	97,000	81,000
2. Delhi . . .	...	3,174	8,999	6,000	10,000	9,000
3. Baluchistan . .	9,435	5,797	5,464	8,000	6,000	7,000
4. North-West Frontier	19,945	23,401	23,604	19,000	21,000	21,000
5. Other Provinces .	26,74,561	24,09,098	23,72,430	22,58,000	28,29,000	22,05,000
Total .	27,51,393	24,85,444	24,61,418	23,37,000	29,63,000	23,23,000
Divided and Provincial.						
1. Central Provinces .	86,508	81,517	82,636	79,000	1,02,000	83,000
2. Burma . . .	2,47,386	2,56,591	2,28,133	2,34,000	2,99,000	2,39,000
3. Assam . . .	...	38,065	32,572	35,000	48,000	39,000
4. Bengal (new) . .	...	2,68,043	2,44,261	2,55,000	2,88,000	2,59,000
5. Bihar and Orissa .	...	1,11,886	1,2 ,767	97,000	1,29,000	1,05.000
6. United Provinces .	1,93,452	2,02,662	2,48,369	2,26,000	2,79,000	2,57,000
7. Punjab . . .	1,54,029	1,91,639	1,82,367	1,87,000	2,00,000	1,93,000
8. Madras . . .	3,91,708	3,87,557	4,42,245	3,72,000	4,77,000	4,04,000
9. Bombay . . .	7,97,576	8,48,516	9,98,360	8,22,000	8,83,000	8,45,000
Eastern Bengal and Assam . . .	1,17,038	...	...	...	...	...
Bengal (old) . .	2,95,058	...	...	...	...	...
Total .	22,82,755	23,86,476	25,80,711	23,07,000	27,05,000	24,24,000
TOTAL INDIA R	50,34,148	48,71,920	50,42,129	46,44,000	56,68,000	47,47,000
Equivalent in Sterling £	335,610	324,795	336,142	309,600	377,900	316,500

(*a*) *Imperial.*

53. The wholly Imperial expenditure shown against "Other Provinces" represents refunds and drawbacks in respect of wholly Imperial revenue (*e.g.*, Opium, Salt, Customs and Tributes.) The increase of R6 26 lakhs in the Revised estimate over the Budget for 1914-15 is chiefly due to a heavy payment of drawback of customs duty owing to the re-export of Java sugar and other causes, and to a larger issue of duty-free salt to the Bikaner State and for industrial purposes. The Budget estimate for 1915-16 provides for normal charges. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Divided and Provincial.*

54. The expenditure fluctuates considerably from year to year and is difficult to estimate. In 1914-15 the Budget will be exceeded by R3·98 lakhs owing chiefly to higher refunds of Land revenue in Madras and Bombay, and to special refunds of Income-tax and of Excise and Forest revenue. For 1915-16 a normal scale of expenditure has been assumed. *Revised, 1914-15.* *Budget, 1915-16.*

2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General	31,42,898	31,93,559	31,87,947	32,03,000	32,37,000	31,97,000
2. Delhi	...	514	1,689	...	9,000	...
3. Baluchistan	2,01,390	2,02,348	2,01,407	2,08,000	2,05,000	2,02,000
4. North-West Frontier	17,819	19,307	17,736	18,000	18,000	18,000
5. Other Provinces	36,19,308	34,94,978	35,40,050	35,19,000	35,46,000	35,25,000
Total	69,81,415	69,10,706	69,48,829	69,48,000	70,15,000	69,42,000
Divided and Provincial.						
1. Central Provinces	34,118	40,351	75,970	41,000	39,000	41,000
2. Burma	989	200	415	1,000	1,000	1,000
3. Assam	...	32,434	32,638	32,000	34,000	34,000
4. Bengal (new)	...	1,01,810	54,317	85,000	64,000	85,000
5. Bihar and Orissa	...	1,06,023	1,46,784	1,06,000	1,07,000	1,06,000
6. United Provinces	2,80,026	3,09,664	3,01,916	3,00,000	3,08,000	3,02,000
7. Punjab	67,676	70,827	81,372	76,000	75,000	75,000
8. Madras	5,44,335	5,13,814	6,20,012	5,58,000	5,53,000	5,82,000
9. Bombay	1,02,01,357	1,01,33,011	1,03,54,259	1,04,25,000	1,09,51,000	1,11,25,000
Eastern Bengal and Assam	56,372	...	...	...	...	...
Bengal (old)	1,57,435	...	...	...	...	...
Total	1,13,42,308	1,13,08,634	1,16,67,683	1,16,24,000	1,21,32,000	1,23,51,000
TOTAL INDIA ₹	1,83,23,723	1,82,19,340	1,86,16,512	1,85,72,000	1,91,47,000	1,92,93,000
Equivalent in Sterling £	1,221,581	1,214,623	1,241,101	1,238,100	1,276,500	1,286,200

(*a*) *Imperial.*

55. The figures show little variation and call for no remark. The wholly Imperial expenditure shown against "Other Provinces" represents Opium, Salt and Customs compensations paid to Native States and Foreign Governments, as well as Miscellaneous compensations (*i.e.*, those of a general character and not intended to indemnify against loss of a particular kind of revenue) in provinces other than Bombay.

(*b*) *Divided and Provincial.*

Revised, 1914-15.

56. The expenditure in 1914-15 will exceed the Budget provision by ₹5·08 lakhs, mainly in consequence of the payment in Bombay of arrears of excise compensations, of certain cash allowances out of the Land Revenue collections, and of enhanced compensations to some of the Native States for the lease of their abkari rights. The Budget estimate for 1915-16 is taken at ₹2·19 lakhs more than the Revised for 1914-15, the increase being chiefly due to provision in Bombay for the payment of cash allowances to certain village servants as compensation for the commutation of their right of service.

Budget, 1915-16.

XII.—INTEREST RECEIPTS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. Interest on Imperial loans and advances . .	39,20,707	37,58,845	37,52,940	36,48,000	34,37,000	34,22,000
2. Profits of Paper Currency Circulation . .	34,70,420	34,70,420	34,70,420	34,70,000	34,70,000	34,70,000
3. Interest on overdrawn Capital of Railway Companies in India .	24,21,272	27,21,189	31,37,152	42,27,000	4,73,000	6,21,000
4. Interest charged to Capital on advances to Railway Companies .	5,33,823	7,80,536	5,13,168	78,000	67,000	8,000
5. Miscellaneous items .	1,42,706	1,13,474	3,48,583	2,13,000	3,23,000	4,46,000
TOTAL ₹	1,04,88,928	1,08,44,464	1,12,22,263	1,16,36,000	77,70,000	79,67,000
Provincial.						
1. Central Provinces .	2,17,160	1,80,289	1,82,442	1,90,000	1,77,000	2,44,000
2. Burma . . .	1,26,882	1,50,845	1,42,937	1,33,000	1,36,000	1,59,000
3. Assam . . .	...	13,336	24,239	58,000	71,000	65,000
4. Bengal (new) . .	...	5,00,713	4,29,999	4,87,000	4,62,000	5,29,000
5. Bihar and Orissa .	...	2,88,003	2,22,129	2,22,000	2,43,000	2,16,000
6. United Provinces .	13,58,202	14,09,544	11,56,424	14,94,000	15,09,000	19,49,000
7. Punjab . . .	2,58,248	2,66,145	2,33,960	2,36,000	2,34,000	2,88,000
8. Madras . . .	4,42,611	4,26,898	4,55,317	4,40,000	4,48,000	4,49,000
9. Bombay . . .	11,03,205	10,12,401	14,21,591	14,58,000	15,37,000	14,08,000
Eastern Bengal and Assam . . .	1,60,798	...	...	...	...	...
Bengal (old) . .	7,20,044	...	...	...	...	...
TOTAL ₹	43,87,150	42,48,174	42,69,038	47,18,000	48,17,000	53,07,000
TOTAL INDIA ₹	1,48,76,078	1,50,92,638	1,54,91,301	1,63,54,000	1,25,87,000	1,32,74,000
Equivalent in Sterling £	991,739	1,006,176	1,032,754	1,090,300	839,100	884,900
ENGLAND.						
Profits of Paper Currency Circulation . . .	68,001	78,211	78,211	78,200	78,200	78,200
2. Interest realised from investment of Cash Balances .	376,053	372,170	205,689	207,500	104,300	94,000
3. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government . .	12,571	16,852	35,183	...	...	...
4. Miscellaneous . .	377	299	282	...	...	...
TOTAL £	457,002	467,532	319,365	285,700	182,500	172,200
TOTAL RECEIPTS £	1,448,741	1,473,708	1,352,119	1,376,000	1,021,600	1,057,100
Loans and advances outstanding March 31:—						
1. Imperial . £	6,435,732	6,259,602	6,044,330	6,439,802	6,046,730	6,198,230
2. Provincial . £	5,646,902	5,894,614	6,687,516	6,488,014	6,814,016	6,403,516

(*a*) *India—Imperial.*

Revised, 1914-15.

57. The Revised estimate for 1914-15 is less than the Budget by R38·66 lakhs. The bulk (*viz.*, R37 lakhs,) of the decrease is nominal, and arises from a change in the treatment of advances to, and overdrafts of Capital by, the Bengal Nagpur Railway Company, in accordance with the provisions of the new contract with it. These advances and overdrafts are now treated as Capital contributed by the Government of India towards the undertaking; and the change involves a reduction in the receipts on account of interest on overdrafts of Capital, and a corresponding saving in the expenditure under "Interest on Capital deposited by Companies." There is also a fall of R2·11 lakhs in the interest receivable in respect of Imperial loans and advances, owing to a reduction from 4½ to 4 per cent. in the rate of interest on the Capital debt of the Bombay Port Trust, and the transfer to the Provincial loan account of certain Imperial loans to Native States in Bombay. On the other hand, an increase of R1·10 lakhs is expected in the interest obtained on the investment of sundry sums deposited with the Controller of Currency and in certain other miscellaneous items. The Budget for 1915-16 exceeds the Revised estimate for the current year by R1·97 lakhs. An increase of R1·48 lakhs is anticipated in the interest charged on overdrafts of Capital by Railway Companies; and of R1·23 lakhs in the miscellaneous revenue, owing to a larger receipt of interest in respect of the unpaid balance of the price of lands sold in the Punjab. But it will be counterbalanced in part by a decrease of R·59 lakh in the interest payable from the Capital account of the Bengal Nagpur Railway in respect of advances for the construction of new extensions which will be opened in the ensuing year, and by less important reductions in certain other items.

Budget, 1915-16.

(*b*) *India—Provincial.*

Revised, 1914-15.

58. The Revised estimate for 1914-15 exceeds the Budget by R·99 lakh. The increase is chiefly due to the receipt of interest from Native States in Bombay, in respect of loans transferred from the Imperial to the Provincial loan account. The total Budget for 1915-16 exceeds the Revised estimate for 1914-15 by R4·90 lakhs, chiefly in consequence of larger realisations of interest on *takavi* in the United Provinces. The receipts in some of the other provinces are also expected to be higher than those in the current year, but on the other hand a large decline is anticipated in Bombay owing to the reduction in the balances of agricultural and other loans granted in famine years.

Budget, 1915-16.

(*c*) *England.*

59. The variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget of the ensuing year, are wholly due to fluctuations in the balance of the Home Treasury available for investment and in the rate of interest obtained on it.

13 AND 14.—INTEREST EXPENDITURE.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Interest on Debt other than that charged to Railways and Irrigation Works—							
Interest on total Debt—							
1. India	₹	4,88,93,847	4,98,01,687	5,13,24,328	5,38,00,000	5,51,00,000	5,89,00,000
	£	3,259,590	3,320,112	3,421,622	3,586,700	3,673,300	3,926,700
2. England	£	6,022,639	6,203,996	5,912,796	5,988,700	6,078,000	6,092,300
Total		9,282,229	9,524,108	9,334,418	9,575,400	9,751,300	10,019,000
Deduct amounts charged to—							
(*a*) Railways:							
(*i*) India	₹	*4,56,26,525*	*4,93,46,705*	*5,39,53,685*	*5,62,26,000*	*6,01,13,000*	*6,14,91,000*
	£	*3,041,768*	*3,289,780*	*3,596,912*	*3,748,400*	*4,007,500*	*4,099,400*
(*ii*) England	£	*3,622,442*	*3,782,768*	*3,706,233*	*3,642,800*	*3,635,000*	*3,666,300*
Total Railways	£	*6,664,210*	*7,072,548*	*7,303,145*	*7,391,200*	*7,642,500*	*7,765,700*
(*b*) Irrigation:							
(*i*) India	₹	*1,59,94,080*	*1,73,66,737*	*1,77,92,499*	*1,86,58,000*	*1,86,90,000*	*1,95,16,000*
	£	*1,066,272*	*1,157,783*	*1,186,167*	*1,243,900*	*1,246,000*	*1,301,100*
(*ii*) England	£	*116,595*	*124,730*	*118,679*	*120,900*	*120,600*	*122,200*
Total Irrigation	£	*1,182,867*	*1,282,513*	*1,304,846*	*1,364,800*	*1,366,600*	*1,423,300*
Total deduction	£	*7,847,077*	*8,355,061*	*8,607,991*	*8,756,000*	*9,009,100*	*9,189,000*
Interest on Ordinary Debt	£	1,435,152	1,169,047	726,427	819,400	742,200	830,000
Distribution of above—							
Imperial	£	1,239,316	966,579	506,757	591,300	506,100	598,800
Provincial	£	195,836	202,468	219,670	228,100	236,100	231,200
Interest on other Obligations—							
On Savings Bank Balances converted at ₹15=£1	£	451,902	491,952	560,453	630,300	518,100	437,600
Other items	£	150,681	149,536	228,773	158,100	220,600	208,500
TOTAL	£	602,583	641,488	789,226	788,400	738,700	646,100
GRAND TOTAL	£	2,037,735	1,810,535	1,515,653	1,607,800	1,480,900	1,476,100
Debt outstanding, March 31—							
Sterling		£ 182,986,597	£ 179,179,193	£ 177,064,757	£ 181,532,993	£ 183,564,757	£ 182,657,257
Rupee Debt—		₹	₹	₹	₹	₹	₹
4 per cent.		3,43,00,000	3,31,00,000	3,19,00,000	3,07,00,000	3,19,00,000	3,07,00,000
3½ per cent.		1,26,91,37,600	1,29,93,49,500	1,33,09,99,400	1,38,15,49,500	1,38,12,27,400	1,42,64,84,400
3 per cent.		8,44,88,100	8,42,41,600	8,23,18,000	8,16,76,600	8,20,52,000	8,17,52,000
Other Debt		1,17,10,505	1,16,73,690	1,16,38,390	1,00,75,680	1,00,84,390	1,00,71,390
Temporary loans		...	...	...	...	11,00,00,000	11,00,00,000
Savings Bank Balances		23,78,20,072	26,20,25,285	29,41,36,898	32,03,62,287	21,73,35,898	21,32,14,898

INTEREST ON ORDINARY DEBT.

Revised, 1914-15.

60. The expenditure in 1914-15 on account of interest payable on the public debt as a whole will exceed the Budget estimate by ₹26·39 lakhs (£175,900), mainly in consequence of the payment of interest on the temporary loan taken from the Gold Standard Reserve in India and of discount on the India bills raised in England. These payments will amount to ₹50·76 lakhs, but they will be met partially from savings in the provision for the service of the new sterling loan the issue of which was contemplated in the Budget, but which was not floated, and from savings in other directions.

Budget, 1915-16.

In the Budget for 1915-16, necessary provision has been made for a full year's interest on the rupee loan of ₹5 crores raised in the current year and on the temporary loan of ₹10½ crores taken from the Gold Standard Reserve, as well as for the service of the further borrowing in India which is contemplated in the ensuing year.

Transfers to Railway and Irrigation Accounts.

61. The amount of interest transferred to the Railway and Irrigation sections of the accounts depends, firstly, on the Capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of railways or irrigation works; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above purpose. Our practice is to adopt, for this adjustment, the average rate of interest actually paid in respect of the whole of the non-specific debt in the latest year for which complete accounts are available. The result is that the rate adopted in calculating the Revised estimate for a year is generally different from that used for the Budget estimate; and this usually leads to a difference between the two estimates apart from that caused by a variation in the Capital expenditure itself. The large increase of ₹37·97 lakhs (£253,100) in the Revised estimate of total interest to be transferred in 1914-15, as compared with the Budget, arises, however, mostly from a different cause. Under the old contract with the Bengal-Nagpur Railway Company, certain sums of money provided by Government for the construction of the line were treated partly as advances to the company and partly as overdrafts of capital by it. Interest was charged on both the advances and the overdrafts of capital at certain specific rates; and while in the case of the advances, the actual sum so charged was included in the amount of interest transferred from "13.—Interest on Ordinary Debt" to the Railway section of the accounts, the interest charged on the overdrafts of capital was recorded under the head "Interest on capital deposited by Companies", which appears in the Railway section, by *per contra* credit to "Interest receipts." Under the terms of the new contract with the company, the advances and overdrafts are now treated as capital contributed by the Government towards the undertaking, and they have accordingly swelled the amount of non-specific railway debt. The increase in the total amount of interest to be transferred in 1915-16 over the Revised estimate for 1914-15 is almost wholly due to the progress of capital expenditure.

Transfers to Provincial.

62. A portion of the interest on Ordinary Debt appears in the Provincial section of the accounts. Provincial Governments are authorised to grant advances to cultivators (as well as to certain other people in special cases) under various Acts, to landholders and notabilities apart from the provisions of any law, and to municipalities and local bodies (other than Presidency Corporations), out of amounts annually placed at their disposal by the Government of India. The interest actually levied on such advances is credited as provincial revenue. But interest at 3½ per cent. a year is charged to the Local Governments, on the mean between the outstanding balances of the Provincial Loan Accounts, at the commencement of the year and at its close; and this is done by transferring the amount so calculated from the Imperial to the Provincial section under Interest on Ordinary Debt. The differences between the Budget and the Revised estimates of the amount to be so transferred in the current year, and between the latter and the Budget estimate of 1915-16, are explained by the variations in the outstanding balances of the Provincial Loan Account as shown in the table at page 43.

INTEREST ON OTHER OBLIGATIONS.

Revised, 1914-15.

63. The total expenditure in 1914-15 is expected to fall short of the Budget provision by ₹7·45 lakhs (£49,700). There will be a decrease of ₹16·83 lakhs in the interest payable on Savings Bank balances owing to the heavy withdrawals of deposits from Post Office Savings Banks; but it will be partly counterbalanced by an increase of ₹9·38 lakhs under other items, mainly in consequence of the payment of interest on the unexpended balances of capital deposited with Government by Railway Companies, for which no provision was made in the Budget.

Budget, 1915-16.

64. The Budget estimate for 1915-16 is taken at ₹13·89 lakhs (£92,600) less than the Revised estimate for the current year. Allowance has been made for a further reduction of ₹12·08 lakhs in the interest payable on Savings Bank balances, being the net result of a saving of ₹14·80 lakhs under Postal Savings Banks and an increase of ₹2·72 lakhs under State Provident Funds, etc. A decrease of ₹1·81 lakhs is also expected under other items chiefly in consequence of a smaller payment of interest on the unspent balances of capital deposited with Government by Railway Companies.

XIII AND 15—POSTS AND TELEGRAPHS.

—	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
REVENUE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Postage and Message Revenue . .	3,68,96,658	3,87,70,014	4,13,62,237	4,29,81,000	4,12,43,000	4,15,44,000
2. Commission on money orders .	52,80,818	56,79,946	61,03,161	64,50,000	61,18,000	61,80,000
3. Other Receipts .	38,68,321	45,25,202	40,24,174	40,78,000	41,85,000	42,40,000
TOTAL INDIA . {	4,60,45,797	4,89,75,162	5,14,89,572	5,35,09,000	5,15,46,000	5,19,64,000
	3,069,720	3,265,011	3,432,638	3,567,200	3,436,400	3,464,300
ENGLAND .	...	...	...	...	...	69,000
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT .	3,069,720	3,265,011	3,432,638	3,567,200	3,436,400	3,533,300
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA.						
1. Message Revenue .	21,90,149	24,59,273	23,89,648	23,80,000	10,76,000	5,00,000
2. Other Receipts .	14,776	20,666	26,794	23,000	20,000	20,000
TOTAL INDIA . { ₹	22,04,925	24,79,939	24,16,442	24,03,000	10,96,000	5,20,000
£	146,995	165,329	161,096	160,200	73,100	34,600
ENGLAND.						
1. Message Revenue. £	4,989	6,220	4,583	5,000	7,100	2,100
2. Other Receipts £	...	...	202	...	2,700	9,200
TOTAL ENGLAND £	4,989	6,220	4,785	5,000	9,800	11,300
TOTAL INDO-EUROPEAN DEPARTMENT £	151,984	171,549	165,881	165,200	82,900	45,900
TOTAL REVENUE £	3,221,704	3,436,560	3,598,519	3,732,400	3,519,300	3,579,200
EXPENDITURE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Establishment charges . . .	3,00,15,373	3,05,26,936	3,13,69,557	3,20,88,000	3,26,15,000	3,29,64,000
2. Stationery and Printing . . .	12,21,138	13,97,275	12,48,848	13,15,000	10,67,000	11,28,000
3. Conveyance of mails	65,50,160	65,95,054	73,36,524	71,63,000	72,19,000	73,34,000
4. Maintenance of Telegraph Lines .	25,25,142	25,76,216	26,29,794	25,01,000	25,13,000	25,27,000
5. Capital outlay in connection with the Telegraph Service .	6,13,009	4,09,421	4,60,450	6,35,000	3,42,000	5,48,000
6. Miscellaneous .	10,47,991	9,09,603	9,61,428	8,44,000	10,83,000	10,55,000
TOTAL INDIA ₹ .	4,19,72,813	4,24,14,505	4,40,06,601	4,45,46,000	4,48,39,000	4,55,56,000
Equivalent in Sterling £	2,798,188	2,827,634	2,933,774	2,969,700	2,989,300	3,037,100
ENGLAND.						
1. Contribution to Eastern mail subsidy .	54,588	54,588	54,588	30,000	54,600	54,000
2. Stores . . .	143,698	131,612	143,070	154,200	151,800	142,500
3. Other items . .	6,177	8,588	10,555	49,400	14,000	42,700
TOTAL ENGLAND . £	204,463	194,788	208,213	233,600	220,400	239,200
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT £	3,002,651	3,022,422	3,141,987	3,203,300	3,209,700	3,276,300
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA AND ENGLAND.						
1. Revenue charges . £	72,440	96,183	77,193	93,600	90,200	101,800
2. Capital outlay . £	2,573	—17,599	23,157	21,300	11,100	5,200
3. Payments in respect of Revenue . £	24,740	31,507	30,647	31,800	—20,900	—88,900
TOTAL INDO-EUROPEAN TELEGRAPH DEPARTMENT £	99,753	110,091	130,997	146,700	80,400	18,100
TOTAL EXPENDITURE . . £	3,102,404	3,132,513	3,272,984	3,350,000	3,290,100	3,294,400
NET REVENUE . £	119,300	304,047	325,535	382,400	229,200	284,800

REVENUE.

(a) *Indian Postal and Telegraph Department.*

Revised, 1914-15.

65. The revenue in the current year has suffered heavily from the dislocation of trade and stagnation of business, and the Revised estimate is taken at R19·63 lakhs (£130,800) less than the Budget. A heavy decline of R17·38 lakhs is expected in the postage and message revenue, while the receipts from commission on money orders will also fall off by R3·32 lakhs. On the other hand, there will be a small improvement of R1·07 lakhs in the Miscellaneous revenue derived from royalties paid by telephone companies and from other sources.

Budget, 1915-16.

66. The Budget estimate of Indian revenue for 1915-16 is based on the assumption that trade and business will recover to some extent in the coming year, and provides for a small rise of R4·18 lakhs (£27,900) over the Revised estimate for 1914-15. In England, a sum of £69,000 is likely to be received from the Home Government under the Morley award in connection with the Eastern mail service.

(b) *Indo-European Telegraph Department.*

Revised, 1914-15.

67. Here, too, the revenue in the current year has suffered heavily owing to interruptions in the Indo-European route in consequence of the war; and the total Revised estimate for 1914-15 is less than the Budget by R12·35 lakhs (£82,300).

Budget, 1915-16.

The Budget estimate for 1915-16 provides for a further decline of R5·55 lakhs (£37,000) in the revenue, on the assumption that the interruptions in the Indo-European route will continue so long as the war lasts.

EXPENDITURE.

(a) *Indian Postal and Telegraph Department.*

Revised, 1914-15.

68. The total expenditure in 1914-15 is likely to exceed the Budget grant by R·96 lakh (£6,400). In India, there will be an increase of R5·27 lakhs in the Establishment charges mainly in consequence of the grant of grain compensation allowance, for which no provision was made in the Budget; and of R2·39 lakhs in the Miscellaneous expenditure owing to an increase in the cost of stamps. But, on the other hand, there will be a decrease of R2·48 lakhs in the Stationery and Printing charges; and of R2·93 lakhs in the Capital outlay in connection with the telegraph service, owing to the postponement of works which are not of an urgent nature. In England, an increase of £24,600 in the contribution payable by the Government of India for the Eastern mail subsidy, due to a postponement of the revision of its incidence, is more than counterbalanced by a reduction of £35,400 under other items caused mainly by a lapse in the provision for payments to the Marconi Company.

Budget, 1915-16.

69. The total Budget grant for 1915-16 exceeds the Revised estimate for the current year by £66,600 (R10 lakhs). A provision of R6 lakhs has been made for certain payments to the Marconi Company which were postponed in the current year. Apart from this special item, the Budget estimate provides for sanctioned establishments and allows for a small margin for the development of the operations of the Department. The financial position has necessitated a curtailment of the programme of works, and though the grant for capital outlay in connection with the telegraph service is R2·06 lakhs higher than the Revised estimate for 1914-15, the allotment for the purchase of stores in England is R1·40 lakhs less than the probable outlay in the current year.

(b) *Indo-European Telegraph Department.*

Revised, 1914-15.

70. The total Revised estimate for 1914-15 falls short of the Budget by £66,300. This reduction is mainly due to the fact that owing to the interruption of the Indo-European route and the diversion of traffic in consequence

of the war, a net receipt of £14,600 is expected in England in connection with the Joint Purse arrangement, etc., against a net payment of £31,800 anticipated in the Budget. Apart from this improvement, there will be a saving of £10,200 in the capital grants owing to the postponement of construction of certain buildings, and a lapse of £9,700 in the revenue grants.

Budget, 1915-16.

71. The Budget estimate for 1915-16 is less than the Revised estimate for the current year by £62,300. Here, too, the reduction arises mainly from the fact that a net receipt of £88,900 is expected in England in the ensuing year in connection with the Joint Purse arrangement, etc., against a similar net receipt of £14,600 in 1914-15.

XV AND 17.—MINT.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
REVENUE.						
INDIA.						
1. Percentage chargeable on coinage of new rupees	...	32,25,953	20,54,049	...	...	...
2. Profit on circulation of—						
(a) Nickel coins	24,35,838	22,02,778	19,61,839	25,00,000	8,00,000	10,00,000
(b) Bronze coins	9,02,671	12,72,178	7,60,047	10,00,000	...	...
3. Fees for coining dollars, etc.	17,92,657	3,07,347	75,417	1,50,000	...	...
4. Other items	3,73,786	3,02,119	2,45,302	96,000	69,000	70,000
TOTAL ₹	55,04,452	73,10,375	50,96,654	37,46,000	8,69,000	10,70,000
TOTAL £	366,963	487,359	399,777	249,800	57,900	71,300
England £	137	...	54	...	...	...
TOTAL £	367,100	487,359	399,841	249,800	57,900	71,300
EXPENDITURE.						
INDIA.						
1. Establishment charges	7,91,782	8,86,301	8,36,509	7,85,000	7,00,000	7,47,000
2. Purchase of stores	2,01,189	2,19,565	2,37,642	1,45,000	1,13,000	1,75,000
3. Loss on re-coining old silver coins	3,93,294	5,07,401	4,90,118	5,00,000	4,35,000	4,99,000
4. Loss on bronze coinage	...	...	...	...	7,00,000	...
5. Other coinage losses	2,77,325	4,20,140	2,66,720	23,000	...	...
TOTAL ₹	16,63,540	20,33,407	18,30,989	14,53,000	19,48,000	14,21,000
TOTAL £	110,903	135,560	122,066	96,900	129,900	94,700
England £	5,604	6,783	10,564	7,400	9,500	7,300
TOTAL £	116,507	142,343	132,630	104,300	139,400	102,000
TOTAL NET REVENUE £	250,593	345,016	267,211	145,500	—81,500	—30,700

REVENUE.

72. The revenue in 1914-15 has suffered heavily from the set-back in the course of trade, and the Revised estimate is less than the Budget by ₹28·77 lakhs. A decline of ₹17 lakhs is expected in the profit on the circulation of nickel coins, the demand for which has fallen off considerably. There is also no likelihood of any revenue being obtained in the current year from the profit on the circulation of bronze coins or from fees for coining dollars. The Budget estimate for 1915-16 anticipates a slight increase in the profit from nickel coins, and is taken at ₹2·01 lakhs more than the Revised estimate for the current year. *Revised, 1914-15.* *Budget, 1915-16.*

EXPENDITURE.

73. The Revised estimate for 1914-15 exceeds the Budget by ₹5·27 lakhs. A loss of ₹7 lakhs will accrue from the return of bronze coins from circulation, which will necessitate the write-off of past profits credited as Mint revenue. Apart from this special item, for which no provision was made in the Budget, there will be a saving of ₹1·73 lakhs in the Budget grants, owing chiefly to a reduced programme of coinage of nickel and bronze coins. The Budget estimate for 1915-16 provides for sanctioned establishments and normal operations. *Revised, 1914-15.* *Budget, 1915-16.*

18.—GENERAL ADMINISTRATION.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
INDIA.	£	£	£	£	£	£
Imperial.						
1. Cost of the Central Government:						
(i) Salary and expenses of the Governor-General	11,20,363	11,46,704	11,28,036	11,47,000	12,22,000	11,52,000
(ii) Executive Council	4,63,122	4,76,353	4,86,820	4,84,000	4,95,000	4,84,000
(iii) Legislative Council	1,47,798	1,32,026	1,70,712	1,46,000	1,73,000	1,73,000
(iv) Charges of the Secretariats	36,21,923	35,65,399	35,39,737	34,10,000	36,94,000	35,36,000
2. Offices of Account and Audit	37,26,608	37,53,875	38,46,612	40,65,000	39,52,000	39,78,000
3. Currency Department and Reserve Treasury	6,52,274	6,82,687	8,18,972	8,37,000	8,60,000	9,46,000
4. Payments to Presidency Banks for treasury and public debt work	3,57,710	3,66,231	3,74,081	3,74,000	3,81,000	3,86,000
5. Ajmer-Merwara Administration, etc.	6,099	4,074	2,086	3,000	3,000	3,000
6. Royal visit and Coronation Durbar	66,66,058	50,276	...	...	...	...
7. Delhi	...	32,635	94,836	92,000	85,000	88,000
8. North-West Frontier Administration	3,09,152	3,64,422	3,11,794	3,38,000	3,24,000	3,56,000
Total	1,70,71,107	1,05,75,182	1,07,73,686	1,08,96,000	1,11,89,000	1,11,02,000
Provincial.						
1. Central Provinces	10,69,052	8,68,131	9,30,430	10,00,000	9,79,000	9,10,000
2. Burma	19,07,353	15,13,442	15,16,202	15,77,000	15,89,000	16,05,000
3. Assam	...	6,04,804	5,83,597	5,71,000	6,26,000	6,45,000
4. Bengal (new)	...	25,46,712	24,29,759	23,53,000	24,08,000	23,74,000
5. Bihar and Orissa	...	11,84,144	13,47,288	13,85,000	13,28,000	14,48,000
6. United Provinces	19,63,228	17,15,992	17,31,053	17,00,000	17,61,000	18,80,000
7. Punjab	13,64,724	12,44,915	12,20,574	12,06,000	13,42,000	12,28,000
8. Madras	18,19,549	13,99,496	14,26,839	13,86,000	15,35,000	14,93,000
9. Bombay	27,54,973	17,90,470	19,37,196	18,80,000	21,63,000	21,29,000
Eastern Bengal and Assam	18,89,451	...	...	...	...	...
Bengal (old)	29,18,136	...	...	...	...	...
Total	1,56,86,466	1,28,68,106	1,31,22,938	1,30,58,000	1,37,31,000	1,37,12,000
TOTAL INDIA	3,27,57,573	2,34,43,288	2,38,96,624	2,39,54,000	2,49,20,000	2,48,14,000
Equivalent in Sterling	£ 2,183,838	£ 1,562,886	£ 1,593,108	£ 1,596,900	£ 1,661,300	£ 1,654,300
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc.	266,485	268,954	269,232	269,700	268,700	272,200
2. Stores, etc., for India	114,442	111,949	121,307	134,600	140,000	93,000
3. Royal Visit and Coronation Durbar	61,476	293	...	...	...	...
TOTAL £	442,403	381,196	390,539	404,300	408,700	365,200
GRAND TOTAL £	2,626,241	1,944,082	1,983,647	2,001,200	2,070,000	2,019,500

(*a*) *India—Imperial.*

74. The total expenditure in 1914-15 is likely to exceed the Budget provision by R2·93 lakhs There will be an increase of R2·84 lakhs in the charges of the Secretariats, and of R·75 lakh in the salary and expenses of the Governor General, owing mainly to telegram charges and other incidental expenditure which have been necessitated by the war. On the other hand, there will be a saving of R1·13 lakhs in the expenditure of the Audit and Account Department, in consequence of a lapse in the grant for the revision of establishments in certain offices. *Revised, 1914-15.*

75. The Budget grant for 1915-16 is placed at R·87 lakh less than the Revised estimate for the current year. A decrease of R1·58 lakhs is anticipated in the charges of the Secretariats, and of R·70 lakh in the salary and expenses of the Governor General, owing to a possible reduction in some of the items of special expenditure connected with the war. Provision has generally been made for sanctioned establishments; but in the case of the Currency Department, a special allotment has been made for a necessary revision of establishments. *Budget, 1915-16.*

(*b*) *Provincial.*

76. The total Revised for 1914-15 exceeds the Budget estimate by R6·73 lakhs. Important excesses over the Budget grant are expected in Bombay (R2·83 lakhs), due mainly to (1) the cost of establishments entertained, and postage and telegram charges incurred, in the Secretariat in consequence of work arising from the war, (2) the remission of certain contributions hitherto recovered from district boards towards the cost of Government establishments, and (3) the purchase of furniture and equipment for the Government Houses in the Presidency; in Madras (R1·49 lakhs), in consequence of the employment of officers on special duty in the Secretariat as well as of telegram charges and other incidental expenditure incurred in connection with the war; and in the Punjab (R1·36 lakhs), owing to the construction of an additional railway saloon for the head of the province and other causes. *Revised, 1914-15.*

77. The total Budget estimate for 1915-16 is R·19 lakh less than the Revised for 1914-15. There is a rise of R1·20 lakhs in Bihar and Orissa, owing to a provision for new railway saloons for the head of the province; and of R1·19 lakhs in the United Provinces, in consequence of an allotment for the creation of an Executive Council. But these increases, and smaller excesses in Burma and Assam, are more than counterbalanced by a decrease of R1·14 lakhs in the Punjab and by less important reductions in the remaining provinces, due mainly to the absence of certain items of special expenditure which have been incurred in the current year. *Budget, 1915-16.*

(*c*) *England.*

78. The Revised estimate for 1914-15 exceeds the Budget by £4,400, while the Budget for 1915-16 is less than the Revised estimate for the current year by £43,500. The variations in both years occur mainly in the outlay on the purchase of stores for India. *Revised, 1914-15.* *Budget, 1915-16.*

XVI A and 19 A.—LAW AND JUSTICE—COURTS OF LAW.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	3,27,874	3,51,532	3,29,321	3,15,000	3,63,000	3,68,000
2. Delhi	...	58,774	1,61,864	1,84,000	2,50,000	1,70,000
3. Baluchistan	22,627	20,077	19,334	24,000	23,000	24,000
4. North-West Frontier	5,79,956	6,16,006	6,19,300	6,37,000	6,49,000	6,68,000
Total	9,30,457	10,46,389	11,31,319	11,60,000	12,85,000	12,30,000
Provincial.						
1. Central Provinces	25,24,371	25,77,687	27,86,972	27,78,000	28,14,000	29,41,000
2. Burma	47,65,061	48,24,039	48,81,629	50,40,000	50,19,000	52,07,000
3. Assam	...	9,09,112	9,33,847	9,55,000	10,09,000	10,68,000
4. Bengal (new)	...	96,39,400	1,00,37,547	99,53,000	1,03,04,000	1,01,24,000
5. Bihar and Orissa	...	31,23,331	32,98,531	34,60,000	34,90,000	34,91,000
6. United Provinces	62,23,925	61,61,393	63,90,754	65,67,000	66,58,000	67,45,000
7. Punjab	42,17,010	42,17,547	42,55,055	44,08,000	46,56,000	46,94,000
8. Madras	62,19,485	66,61,302	69,67,819	70,21,000	82,98,000	84,56,000
9. Bombay	55,30,750	56,69,312	56,36,537	57,49,000	57,82,000	57,29,000
Eastern Bengal and Assam	49,95,633	...	...	...	...	...
Bengal (old)	92,76,209	...	...	...	...	...
Total	4,37,52,444	4,37,83,123	4,51,88,691	4,59,31,000	4,80,30,000	4,84,55,000
TOTAL INDIA ₹	4,46,82,901	4,48,29,512	4,63,20,010	4,70,91,000	4,93,15,000	4,96,85,000
Equivalent in Sterling £	2,978,860	2,988,634	3,088,001	3,139,400	3,287,700	3,312,300
England £	3,136	1,668	159	1,000	1,300	700
TOTAL £	2,981,996	2,990,302	3,088,160	3,140,400	3,289,000	3,313,000

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	1,56,543	76,782	95,487	3,90,000	3,10,000	3,19,000
2. Delhi	...	9,702	20,624	22,000	17,000	20,000
3. Baluchistan	23,847	24,410	27,413	26,000	26,000	25,000
4. North-West Frontier	1,10,253	1,12,889	1,44,782	1,50,000	1,50,000	1,50,000
Total	2,90,643	2,23,783	2,88,306	5,88,000	5,03,000	5,14,000
Provincial.						
1. Central Provinces	2,06,735	2,35,053	2,89,281	3,00,000	2,65,000	2,57,000
2. Burma	5,50,824	6,47,791	6,84,281	6,68,000	6,66,000	6,79,000
3. Assam	...	1,15,132	1,25,675	1,22,000	1,38,000	1,38,000
4. Bengal (new)	...	8,14,901	8,42,311	8,95,000	8,62,000	9,13,000
5. Bihar and Orissa	...	2,80,076	2,69,601	2,70,000	2,90,000	2,80,000
6. United Provinces	6,48,725	6,80,041	6,77,355	6,88,000	7,41,000	7,08,000
7. Punjab	4,34,527	4,88,534	5,54,353	5,36,000	6,39,000	6,78,000
8. Madras	9,22,333	10,63,626	10,94,576	11,23,000	11,30,000	11,47,000
9. Bombay	6,57,846	7,31,828	7,80,626	7,60,000	8,50,000	8,20,000
Eastern Bengal and Assam	4,51,058	...	...	...	...	...
Bengal (old)	6,92,199	...	...	...	...	...
Total	45,64,247	50,56,982	53,18,559	53,62,000	55,81,000	56,20,000
TOTAL ₹	48,54,890	52,80,765	56,06,865	59,50,000	60,84,000	61,34,000
Equivalent in Sterling £	323,660	352,051	373,791	396,700	405,600	408,900

EXPENDITURE.

(*a*) *Imperial.*

79. The total expenditure in 1914-15 is likely to exceed the Budget provision by ₹1·25 lakhs, mainly in consequence of charges connected with the Delhi conspiracy case. The Budget estimate for 1915-16 is less than the Revised for the current year by ₹·55 lakh, mainly owing to the absence of the special expenditure in Delhi mentioned above. Provision has generally been made for sanctioned establishments. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

80. The total Revised estimate for 1914-15 exceeds the Budget by ₹20·99 lakhs. The increase is shared by all the provinces, with the exception of Burma. The bulk of it is contributed by Madras (₹12·77 lakhs), and is due chiefly to a change in the method of distributing the charges of district administration between "3—Land Revenue" and "19 A—Courts of Law" (see paragraph 13). Important excesses over Budget grants are also expected in the Punjab (₹2·48 lakhs), mainly owing to charges connected with the Delhi conspiracy case, and the payment of grain compensation allowance to establishments; and in Bengal (₹3·51 lakhs), chiefly in consequence of (1) larger expenditure in connection with political cases, and (2) the payment of grain compensation allowance to establishments, and of arrears of salary in connection with the revision of the subordinate judicial service. Here too, a general factor which has contributed to increased expenditure in all the provinces is the restriction imposed on the grant of leave out of India and the temporary introduction of minimum rates of pay for members of the Indian Civil Service. *Revised, 1914-15.*

81. The total Budget for 1915-16 is ₹4·25 lakhs higher than the Revised estimate for 1914-15. Provision for the full cost of sanctioned establishments has been made in all the provinces, and it is assumed that the restriction on the grant of leave out of India will continue to be in force throughout the ensuing year. Lump allotments have been made in the United Provinces for additional temporary courts, and in the Punjab for the revision of clerical establishments. A reduction of expenditure is expected in Bengal (₹1·80 lakhs), and in Bombay (₹·53 lakh), owing to smaller payments in civil and criminal cases, and to the absence in the former province of the payment of arrears of salary made to members of the subordinate judicial service in the current year. *Budget, 1915-16.*

REVENUE.

(*a*) *Imperial.*

82. The total Revised estimate for 1914-15 is less than the Budget by ₹·85 lakh, mainly in consequence of smaller receipts from the transfer to Government, under the operation of section 52 of Act III of 1913, of certain assets in the charge of the Administrator General, Bengal, which have remained unclaimed for 12 years. The revenue in 1915-16 is not expected to differ materially from the Revised estimate of the current year. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

83. The total revenue in the current year is likely to exceed the Budget estimate by ₹2·19 lakhs, the improvement occurring mainly under magisterial fines in several provinces and under receipts in Bombay under section 23 of Act II of 1913. The Budget for 1915-16 provides for normal receipts in all the provinces. *Revised, 1914-15.* *Budget, 1915-16.*

XVI B and 19 B.—LAW AND JUSTICE—JAILS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	16,50,412	16,41,340	16,67,987	16,93,000	17,56,000	17,06,000
2. Delhi	...	22,484	64,366	65,000	70,000	70,000
3. Baluchistan	31,365	29,652	34,001	32,000	30,000	33,000
4. North-West Frontier	1,47,837	1,51,779	2,09,693	2,07,000	2,14,000	2,37,000
TOTAL	18,29,614	18,45,255	19,76,047	19,97,000	20,70,000	20,46,000
Provincial.						
1. Central Provinces	5,52,623	5,61,448	6,80,139	6,56,000	6,81,000	6,80,000
2. Burma	13,60,332	15,66,335	18,32,603	16,08,000	15,03,000	15,13,000
3. Assam	...	2,48,796	2,72,251	2,91,000	2,88,000	3,47,000
4. Bengal (new)	...	19,61,832	22,62,882	20,76,000	23,78,000	21,95,000
5. Bihar and Orissa	...	11,80,570	14,54,178	13,56,000	14,96,000	15,71,000
6. United Provinces	18,09,551	18,23,882	20,59,519	21,21,000	23,00,000	21,66,000
7. Punjab	12,27,575	13,14,605	14,27,260	15,00,000	15,81,000	17,32,000
8. Madras	14,06,873	13,89,871	14,92,324	15,51,000	15,62,000	16,09,000
9. Bombay	11,35,616	12,00,733	12,76,989	12,36,000	12,80,000	12,87,000
Eastern Bengal and Assam	9,31,926	...	...	...	...	...
Bengal (old)	23,86,876	...	...	...	...	...
TOTAL	1,08,11,372	1,12,48,072	1,27,65,145	1,23,95,000	1,30,69,000	1,31,00,000
TOTAL INDIA ₹	1,26,40,986	1,30,93,327	1,47,41,192	1,43,92,000	1,51,39,000	1,51,46,000
Equivalent in Sterling £	842,732	872,889	982,746	959,400	1,009,300	1,009,800
England £	...	799	157	200	...	...
TOTAL £	842,732	873,688	982,908	959,600	1,009,300	1,009,800

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	3,49,438	3,51,785	4,03,586	3,87,000	3,69,000	3,68,000
2. Delhi	...	9,392	31,555	20,000	30,000	28,000
3. Baluchistan	734	777	829	1,000	1,000	1,000
4. North-West Frontier	24,911	26,077	32,562	37,000	35,000	37,000
TOTAL	3,75,083	3,88,031	4,68,532	4,45,000	4,35,000	4,34,000
Provincial.						
1. Central Provinces	2,27,714	2,31,183	2,81,162	3,04,000	3,04,000	2,76,000
2. Burma	4,34,550	4,59,258	4,93,229	4,81,000	4,19,000	4,65,000
3. Assam	...	80,424	91,622	87,000	1,01,000	1,02,000
4. Bengal (new)	...	7,03,353	6,71,947	7,23,000	7,31,000	7,60,000
5. Bihar and Orissa	...	6,43,671	7,26,397	6,60,000	7,00,000	8,10,000
6. United Provinces	3,62,682	3,66,917	3,73,035	3,81,000	3,61,000	3,82,000
7. Punjab	3,40,887	3,24,563	3,93,642	3,70,000	4,50,000	5,00,000
8. Madras	4,63,989	5,48,948	5,44,928	5,50,000	6,00,000	5,50,000
9. Bombay	2,19,507	3,04,589	2,82,232	3,05,000	2,75,000	2,85,000
Eastern Bengal and Assam	3,23,598	...	...	...	...	...
Bengal (old)	10,52,305	...	...	...	...	...
TOTAL	34,25,232	36,62,906	38,58,194	38,61,000	39,41,000	41,30,000
TOTAL ₹	38,00,315	40,50,937	43,26,726	43,06,000	43,76,000	45,64,000
Equivalent in Sterling £	253,354	270,062	288,448	287,100	291,700	304,200

EXPENDITURE.

(*a*) *Imperial.*

84. The increase of ₹·73 lakh over the Budget grant for 1914-15 is mainly due to higher outlay on commissariat supplies required for the convict settlement at Port Blair. In 1915-16 provision has been made for sanctioned establishments and for normal outlay in other directions. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

85. The total expenditure in 1914-15 will exceed the Budget estimate by ₹6·74 lakhs. The increase is shared by all the provinces, with the exception of Assam, where an unimportant lapse in the Budget grant is expected, and of Burma, where a large saving of ₹1·05 lakhs is anticipated owing to smaller outlay on rations which has been rendered possible by the advance purchase made in 1913-14. The rise of expenditure in the other provinces is generally due to a higher growth in the jail population than was allowed for in the Budget, an increase in the cost of dietary consequent on the prevalence of high prices in several provinces, and a larger outlay on the purchase of raw materials. *Revised, 1914-15.*

86. The total Budget for 1915-16 is higher than the Revised estimate for 1914-15 by ₹·31 lakh. The grants are generally based on the sanctioned scale of establishments, the probable jail population and normal outlay on raw materials. *Budget, 1915-16.*

REVENUE.

(*a*) *Imperial.*

87. The figures show little variation.

(*b*) *Provincial.*

88. The increase of ₹·80 lakh in the revenue in the current year over the Budget estimate is chiefly due to a higher demand for jail-made articles in the Punjab. The variations in the other provinces cancel one another and call for no remark. The Budget estimate for 1915-16 provides generally for normal receipts. In Bihar and Orissa, an increase of ₹1·10 lakhs is expected over the Revised estimate for 1914-15 owing to a probable increase in the receipts from the sale of jail manufactures. *Revised, 1914-15.* *Budget, 1915-16.*

XVII AND 20.—POLICE.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	9,51,235	9,17,991	10,37,218	10,67,000	11,34,000	10,74,000
2. Delhi	...	1,56,022	3,92,675	4,25,000	4,32,000	4,07,000
3. Baluchistan	4,19,242	4,13,677	5,11,605	6,80,000	6,15,000	6,42,000
4. North-West Frontier	16,31,901	15,76,157	17,05,508	18,13,000	17,80,000	18,67,000
Total	30,02,378	30,63,847	36,47,006	39,85,000	39,61,000	39,90,000
Provincial.						
1. Central Provinces	33,45,697	33,31,457	34,11,226	34,30,000	35,10,000	36,21,000
2. Burma	1,26,76,077	1,29,23,819	1,31,18,008	1,36,50,000	1,35,81,000	1,36,08,000
3. Assam	...	22,10,987	23,87,928	25,76,000	23,92,000	25,29,000
4. Bengal (new)	...	83,99,359	94,71,081	1,08,98,000	1,03,80,000	1,05,35,000
5. Bihar and Orissa	...	41,31,415	45,76,942	48,98,000	47,57,000	48,52,000
6. United Provinces	1,10,42,737	1,08,84,795	1,11,39,477	1,23,11,000	1,23,92,000	1,24,24,000
7. Punjab	58,63,176	58,54,374	58,93,463	60,65,000	61,19,000	64,26,000
8. Madras	84,59,187	88,16,509	92,47,539	95,21,000	1,09,94,000	1,12,26,000
9. Bombay	1,01,50,038	1,02,32,594	1,00,57,735	1,06,95,000	1,05,05,000	1,12,04,000
Eastern Bengal and Assam	58,09,322	...	...	...	...	...
Bengal (old)	86,70,975	...	...	...	...	...
Total	6,60,17,209	6,67,85,809	6,93,03,399	7,40,44,000	7,46,30,000	7,64,25,000
TOTAL INDIA ₹	6,90,19,587	6,98,49,656	7,29,50,405	7,80,29,000	7,85,91,000	8,04,15,000
Equivalent in Sterling £	4,601,306	4,656,644	4,863,360	5,201,900	5,239,400	5,361,000
England £	1,671	1,356	1,630	1,300	1,200	1,300
TOTAL £	4,602,977	4,658,000	4,864,990	5,203,200	5,240,600	5,362,300

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	25,283	18,672	18,562	25,000	21,000	19,000
2. Delhi	...	6,850	4,432	5,000	5,000	6,000
3. Baluchistan	11,243	10,448	14,865	14,000	15,000	15,000
4. North-West Frontier	22,980	31,003	20,782	30,000	32,000	33,000
Total	59,506	66,973	58,641	74,000	73,000	73,000
Provincial.						
1. Central Provinces	32,530	26,211	26,002	27,000	25,000	26,000
2. Burma	2,78,707	4,97,655	4,61,975	4,55,000	5,29,000	5,91,000
3. Assam	...	1,08,099	1,22,398	1,26,000	1,37,000	1,31,000
4. Bengal (new)	...	2,39,082	1,56,684	1,77,000	1,87,000	1,86,000
5. Bihar and Orissa	...	53,983	46,517	49,000	38,000	41,000
6. United Provinces	91,032	97,089	1,01,626	87,000	87,000	1,04,000
7. Punjab	1,78,998	1,98,478	2,03,666	1,94,000	1,61,000	1,67,000
8. Madras	4,75,445	5,00,043	4,88,562	4,82,000	4,91,000	4,96,000
9. Bombay	3,88,184	2,45,679	2,89,014	2,36,000	2,55,000	2,86,000
Eastern Bengal and Assam	1,42,913	...	...	...	...	...
Bengal (old)	1,93,750	...	...	...	...	...
Total	17,81,559	19,66,319	18,96,444	18,33,000	19,10,000	20,28,000
TOTAL ₹	18,41,065	20,33,292	19,55,085	19,07,000	19,83,000	21,01,000
Equivalent in Sterling £	122,738	135,553	130,339	127,100	132,200	140,100

EXPENDITURE.

(*a*) *Imperial.*

Revised, 1914-15.

89. The total expenditure in 1914-15 will fall short of the Budget provision by ₹·24 lakh. An excess of ₹·67 lakh under India General, due mainly to a rise in the charges of the Central Criminal Investigation Department, will be more than counterbalanced by lapses in ordinary grants in Baluchistan and in the North-West Frontier Province, and by a partial utilisation of the special allotment for police reorganization in the former province. In the Budget estimate for 1915-16, provision has been made for the full sanctioned strength of the police in the various minor administrations, and for the introduction of a further instalment of reforms in Baluchistan. A reduction is anticipated in the charges of the Central Criminal Investigation Department and of the Delhi province, owing to the absence of the special expenditure incurred in the current year in connection with the Delhi conspiracy case.

Budget, 1915-16.

(*b*) *Provincial.*

Revised, 1914-15.

90. The Revised estimate for 1914-15 exceeds the Budget by ₹5·86 lakhs. There is a large increase of ₹14·73 lakhs in Madras, due chiefly to the transfer from "3—Land Revenue" to "20—Police" of the charges of certain village servants, and to higher expenditure on the reclamation of criminal tribes. Excesses over Budget grants are also expected in the Central Provinces, the United Provinces and the Punjab, owing mainly to the restriction on the grant of leave out of India and the payment of grain compensation allowance in the last two provinces. The excesses in the United Provinces and the Punjab would have been larger, but for (1) the non-utilisation of the provision for the payment from Provincial revenues of village police in Gorakhpur, and for the substitution of regular police for town-watchmen in the Punjab, and (2) the recovery from certain railway administrations in the Punjab of arrears of contribution towards the cost of railway police. In the other provinces, the expenditure will fall short of the Budget estimate, owing to lapses in ordinary grants and in the special allotments for police reforms. In Burma, a portion of the saving will be utilised to augment temporarily the strength of the mounted police.

Budget, 1915-16.

91. The Budget estimate for 1915-16 is taken at ₹17·95 lakhs higher than the Revised estimate for the current year. The estimates provide generally for the full cost of sanctioned establishments and of the schemes of reform which have already been introduced, and they are framed on the assumption that the orders restricting the grant of leave out of India will remain in operation throughout the ensuing year. Provision for further reforms of an urgent character has also been made in Bombay, Bengal, Assam and some other provinces.

REVENUE.

(*a*) *Imperial.*

92. The figures show little variation and call for no remark.

(*b*) *Provincial.*

93. The variations between the Budget and Revised estimates of the current year, and between the latter and the Budget estimate for 1915-16, are mainly due to higher recoveries on account of punitive police employed in certain tracts in Burma.

XVIII AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revise .	Budget, 1915-1916.
Provincial.						
1. Burma . . .	12,64,225	13,28,580	13,49,167	13,78,000	14,79,000	14,61,000
2. Assam . . .	...	63,048	60,902	55,000	55,000	54,000
3. Bengal (new) . .	...	12,16,009	14,28,377	15,39,000	13,74,000	14,76,000
4. Bihar and Orissa .	...	1,080	957	1,000	1,000	7,000
5. Madras . . .	21,138	41,145	45,677	36,000	37,000	45,000
6. Bombay . . .	70,516	64,813	1,81,310	2,88,000	2,43,000	1,89,000
Eastern Bengal and Assam . .	1,13,059	...	...	...	...	...
Bengal (old) . .	12,55,725	...	...	...	...	...
Total India ₹	27,24,663	27,14,675	30,66,390	32,97,000	31,89,000	32,32,000
Equivalent in Sterling £	181,644	180,978	2,04,426	219,800	212,600	215,400
England . £	46	104	200	100	100	100
TOTAL . £	181,690	181,082	204,626	219,900	212,700	215,500

REVENUE.

	Accounts, 1911-1912.	Accounts 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Provincial.						
1. Burma . . .	4,83,315	4,96,172	5,18,919	5,33,000	4,34,000	4,84,000
2. Assam . . .	...	84	...	...	...	...
3. Bengal (new) . .	...	17,52,191	16,76,604	17,16,000	15,25,000	16,20,000
4. Bihar and Orissa .	...	127	...	...	...	...
5. Madras . .	105	160	86	...	...	...
6. Bombay . .	97,033	1,02,450	1,08,524	1,09,000	1,24,000	1,59,000
Eastern Bengal and Assam . .	9,509	...	...	...	...	...
Bengal (old) . .	16,86,090	...	...	...	...	...
TOTAL ₹	22,76,052	23,51,184	23,04,133	23,58,000	20,83,000	22,63,000
Equivalent in Sterling £	151,737	156,746	153,609	157,200	138,900	150,900

EXPENDITURE.

Revised, 1914-15.

94. The total expenditure in 1914-15 is expected to fall short of the Budget provision by ₹1·08 lakhs. There will be a saving of ₹1·65 lakhs in Bengal, due mainly to a reduction in the charges of pilot establishments consequent on the dislocation of trade, and the non-payment of a contribution to the Chittagong Port for the purchase of a dredger; and of ₹·45 lakh in Bombay owing to a lapse in the provision for a light vessel off the Sind coast. On the other hand, the expenditure in Burma will exceed the Budget estimate by ₹1·01 lakhs, mainly in consequence of higher requirements for stores.

Budget, 1915-16.

The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by ₹·43 lakh. There is an increase of ₹1·02 lakhs in Bengal, where some allowance has been made for an improvement in trade conditions. But, on the other hand, a reduction is anticipated in Bombay in the outlay on the construction and maintenance of additional lights off the Sind coast.

REVENUE.

Revised, 1914-15.

95. The falling off of ₹2·75 lakhs in the revenue in 1914-15, as compared with the Budget estimate, is caused chiefly by the dislocation of the seaborne trade in consequence of the war.

Budget, 1915-16.

The Budget estimate for 1915-16 anticipates some revival of trade in the ensuing year, and exceeds the Revised estimate for 1914-15 by ₹1·80 lakhs.

XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India, General	5,04,754	7,64,023	9,15,504	15,33,000	9,36,000	9,33,000
2. Delhi	...	1,25,857	1,42,855	2,25,000	2,34,000	1,56,000
3. Baluchistan	46,688	74,131	1,06,852	98,000	79,000	1,05,000
4. North-West Frontier	1,60,938	6,71,542	4,87,539	4,52,000	4,86,000	5,42,000
Total	7,12,380	16,35,553	16,52,750	23,08,000	17,35,000	17,36,000
Provincial.						
1. Central Provinces	17,82,548	21,16,637	22,02,034	33,94,000	25,85,000	34,04,000
2. Burma	20,21,673	23,44,622	29,23,909	30,41,000	32,16,000	31,34,000
3. Assam	...	9,73,071	12,15,892	19,39,000	16,06,000	15,29,000
4. Bengal (new)	...	73,76,829	81,12,515	1,45,43,000	85,23,000	1,05,62,000
5. Bihar and Orissa	...	27,48,204	38,34,826	43,78,000	36,12,000	37,65,000
6. United Provinces	48,36,149	56,64,135	78,58,337	78,25,000	71,32,000	67,31,000
7. Punjab	23,55,101	34,46,632	44,69,352	42,03,000	41,99,000	44,66,000
8. Madras	45,66,761	65,53,050	79,51,125	79,42,000	79,38,000	77,69,000
9. Bombay	48,72,655	61,35,165	72,75,648	1,02,76,000	79,26,000	76,86,000
Eastern Bengal and Assam	31,58,532	...	...	...	...	...
Bengal (old)	58,54,112	...	...	...	...	...
Total	2,94,47,531	3,73,58,345	4,58,43,638	5,75,41,000	4,67,37,000	4,90,46,000
TOTAL INDIA ₹	3,01,59,911	3,89,93,898	4,74,96,388	5,98,49,000	4,84,72,000	5,07,82,000
Equivalent in Sterling £	2,010,661	2,599,593	3,166,426	3,989,900	3,231,400	3,385,500
England £	10,528	10,539	10,383	10,000	10,300	9,300
TOTAL	2,021,189	2,610,132	3,176,809	3,999,900	3,241,700	3,394,800

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India, General	30,607	30,495	38,175	40,000	37,000	37,000
2. Delhi	...	6,854	18,459	12,000	19,000	17,000
3. Baluchistan	13,451	14,075	17,996	19,000	19,000	19,000
4. North-West Frontier	848	671	13,173	21,000	25,000	23,000
TOTAL	44,906	52,095	87,794	92,000	1,00,000	96,000
Provincial.						
1. Central Provinces	1,46,171	1,99,888	2,03,667	2,28,000	2,16,000	2,29,000
2. Burma	2,17,634	2,39,831	2,89,331	3,25,000	3,60,000	3,35,000
3. Assam	...	1,14,026	1,34,639	1,44,000	1,65,000	1,72,000
4. Bengal (new)	...	7,77,676	8,10,953	8,62,000	8,12,000	8,86,000
5. Bihar and Orissa	...	2,31,122	2,69,993	2,83,000	2,90,000	3,34,000
6. United Provinces	4,85,072	5,11,992	6,08,851	5,88,000	6,04,000	6,19,000
7. Punjab	3,91,763	4,37,675	4,49,433	4,99,000	4,66,000	4,83,000
8. Madras	3,22,612	2,96,297	3,11,011	2,99,000	3,20,000	3,21,000
9. Bombay	4,54,345	5,31,281	5,52,899	5,21,000	5,49,000	5,99,000
Eastern Bengal and Assam	3,39,867	...	...	...	...	...
Bengal (old)	6,81,783	...	...	...	...	...
TOTAL	30,39,247	33,39,788	36,30,777	37,49,000	37,82,000	40,28,000
TOTAL INDIA ₹	30,84,153	33,91,883	37,18,571	38,41,000	38,82,000	41,24,000
Equivalent in Sterling £	205,610	226,126	247,905	256,100	258,800	274,900

EXPENDITURE.

(a) *Imperial.*

Revised, 1914-15.

96. The Revised estimate for 1914-15 is less than the Budget by ₹5·73 lakhs. A portion of the saving is nominal and is caused by (1) the assignment to Provincial Governments of ₹2·42 lakhs out of the reserve for educational requirements, for which Budget provision was made under Education, and (2) the record under Medical and other heads of account of grants aggregating ₹2·60 lakhs made from this reserve for the Lady Hardinge Medical College for Women, Delhi, the improvement of British and Indian Army schools and other objects. The balance of the decrease is due to lapses in ordinary grants.

97. The reserve of ₹7·58 lakhs provided in the Budget out of the recurring appropriation of ₹124 lakhs from Imperial revenues for the improvement of education has been utilized as shown below :—

		₹ lakhs.
(*i*) Assigned to Provincial Governments { recurring		·84
{ non-recurring		1·58
(*ii*) Allotted for recurring expenditure on the improvement of British and Indian Army schools		1·00
(*iii*) Allotted for recurring expenditure in Minor Administrations—		
(*a*) Delhi (inclusive of ₹1 lakh for the Lady Hardinge Medical College for Women)	1·03	
(*b*) North-West Frontier Province	·57	
(*c*) Other tracts	·15	
		1·75
(*iv*) Allotted for non-recurring expenditure in Minor Administrations, etc.—		
(*a*) Delhi (inclusive of ₹1 lakh for the St. Stephen's College)	1·06	
(*b*) Other Minor Administrations, etc.	1·35	
		2·41
Grand Total		7·58

Budget, 1915-16.

98. The total Budget estimate for 1915-16 does not differ materially from the Revised estimate for 1914-15. The latter includes certain non-recurring grants, *e.g.*, one of ₹2 lakhs to the Indian Institute of Science, Bangalore. The saving caused by the absence of these items of expenditure in the Budget for 1915-16 is counterbalanced by provision (1) for increased outlay in the North-West Frontier Province and Baluchistan on grants-in-aid and other objects, and (2) for a reserve of ₹2·19 lakhs for educational requirements. This reserve represents the portion of the special appropriation of ₹124 lakhs mentioned in paragraph 97 which has not yet been assigned permanently to Provincial Governments or allotted for recurring expenditure in minor administrations, etc. It will be seen from that paragraph that a sum of ₹3·99 lakhs out of this special appropriation was utilized in 1914-15 on non-recurring assignments to Provincial Governments and on non-recurring expenditure in minor administrations, etc., and this sum is accordingly available for redistribution in 1915-16. The amount has been allotted as follows in the Budget estimate for the ensuing year :—

	₹ lakhs.
(*i*) Assigned to Provincial Governments { recurring	·17
{ non-recurring	1·42
(*ii*) Minor Administrations, etc. { recurring	·17
{ non-recurring	·04
(*iii*) Unallotted reserve	2·19
Total	3·99

(b) *Provincial.*

Revised, 1914-15.

99. The total expenditure in 1914-15 is expected to be ₹108·04 lakhs less than the Budget estimate. The latter included special allotments under this head, aggregating about ₹242 lakhs from the recurring and

non-recurring assignments made from Imperial revenues in recent years for the development and improvement of education. Out of these allotments the expenditure expected in 1914-15 is about R149 lakhs only, of which R139 lakhs will be recorded under Education, while the balance will appear under Civil Works. Under the former head there is thus a decrease of about R103 lakhs, as compared with the Budget provision, in the outlay from special Imperial grants; and the expenditure from other Provincial resources will accordingly fall short of the corresponding budget provision by about R5 lakhs. This decrease is the net result of a number of variations in several provinces. In Bombay, there is a large saving of about R7 lakhs due to the non-utilisation of the provision for the opening of new primary schools and to lapses in other directions. On the other hand, there is a large excess of about R3 lakhs in the United Provinces owing to larger payment of educational contributions to district boards in connection with the revision of the financial settlements made with them.

100. The Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R23·09 lakhs. Of this increase, about R12 lakhs will be financed from the special assignments made from Imperial revenues in recent years (including the grant of R10 lakhs made in the current year to the Calcutta University which is referred to in paragraph 223 and the whole of which has been made available for expenditure in 1915-16), the provision made under Education for expenditure from these contributions in the Budget for next year amounting to R151 lakhs, against a probable outlay of R139 lakhs in the current year. In spite of the financial situation, most of the Provincial Governments have allotted larger funds from their ordinary Provincial resources for the further development of education in various directions; and the following additions have been made to the Provincial budgets with reference to the recommendations of the respective Finance Committees. *Budget, 1915-16.*

	Lakhs of Rs.	
Assam	1·00	for educational reforms generally.
United Provinces	·74	for grants-in-aid and other objects.
Punjab	1·82	mainly for additional grants-in-aid.
Madras	1·39	mainly for grants for the construction of hostels.

101. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants given from Imperial revenues in recent years. To simplify the position, it has been assumed that the whole of the recurring grant for any year is fully utilised before any expenditure is debited against the non-recurring grant.

[In lakhs of Rs.]

Province.	Grants to end of 1915-16.	Expenditure.					Unspent balance on 31st March 1916.
		To end of 1913-14.	In 1914-15 (Revised) recorded under		In 1915-16 (Budget) recorded under		
			Education.	Other heads.	Education.	Other heads.	
Central Provinces	23·40	1·87	1·33	3·84	6·10	...	10·26
Burma	33·75	9·32	1·94	4·00	...	...	18·49
Assam	15·70	3·97	2·35	2·90	·74	2·80	2·94
Bengal	1,44·61	27·51	—3·22	11·09	19·09	...	90·14
Bihar and Orissa	41·37	11·35	—2·32	5·69	—1·97	...	28·62
United Provinces	64·95	30·79	8·43	1·48	2·11	2·70	19·44
Punjab	39·34	21·45	5·33	4·00	6·59	1·97	...
Madras	64·44	31·10	6·93	7·73	1·19	1·88	15·61
Bombay	57·77	11·91	1·35	2·57	1·91	...	40·03
Total	485·33	149·27	22·12	43·30	35·76	9·35	225·53

It will be seen that the Punjab expects to spend by the end of 1915-16 the entire balance of the grants allotted to it. The *minus* figure against Bihar and Orissa in 1915-16 indicates that it will not be possible in this province to utilise fully the recurring grant from Imperial revenues for educational expenditure.

REVENUE.

(*a*) *Imperial.*

102. The figures show little variation.

(*b*) *Provincial.*

103. The growth in the number of students in Government schools and colleges generally accounts for the improvements in the receipts in the current year and the further increase allowed for in the Budget of 1915-16.

23.—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General	1,58,916	1,74,807	1,72,059	1,90,000	1,86,000	1,95,000
2. Delhi	...	6,187	12,691	12,000	16,000	19,000
3. Baluchistan	23,247	24,451	22,456	21,000	22,000	23,000
4. Central Provinces	75,975	98,420	98,280	1,05,000	1,01,000	1,03,000
5. Burma	1,27,942	1,38,239	1,44,884	1,56,000	1,37,000	1,44,000
6. Assam	...	18,110	16,765	21,000	19,000	21,000
7. Bengal (new)	...	1,91,885	1,84,515	2,00,000	1,97,000	2,08,000
8. Bihar and Orissa	...	31,471	32,243	34,000	32,000	36,000
9. United Provinces	2,53,065	2,69,256	2,71,749	2,72,000	2,60,000	2,82,000
10. Punjab	2,33,743	2,45,303	2,44,884	2,67,000	2,49,000	2,59,000
11. North-West Frontier	38,938	39,660	43,012	45,000	44,000	42,000
12. Madras	3,58,011	3,22,125	3,27,854	3,55,000	3,17,000	3,47,000
13. Bombay	3,43,913	3,27,058	3,42,065	3,40,000	3,30,000	3,46,000
Eastern Bengal and Assam	41,192	...	...	...	...	...
Bengal (old)	2,07,805	...	...	...	...	...
TOTAL INDIA R	18,62,747	18,86,972	19,13,457	20,18,000	19,10,000	20,25,000
Equivalent in Sterling £	124,183	125,798	127,564	134,500	127,300	135,000
England £	305	205	148	300	400	300
TOTAL £	124,488	126,003	127,712	134,800	127,700	135,300

104. A saving of R1·06 lakhs is expected in the total grant for the current year, chiefly in consequence of the absence of the Lord Bishop of Madras and of some of the Chaplains on leave, and the deputation of others to military duty. In 1915-16 provision has been made for the sanctioned scale of expenditure.

Revised, 1914-15.

Budget, 1915-16.

XX AND 24.—MEDICAL.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	5,78,682	14,54,197	14,26,721	20,73,000	13,62,000	20,89,000
2. Delhi	...	5,30,575	1,85,882	1,42,000	5,36,000	2,36,000
3. Baluchistan	1,02,752	1,50,508	1,14,772	1,31,000	1,12,000	1,14,000
4. North-West Frontier	1,50,170	4,81,431	2,26,251	2,51,000	2,67,000	3,50,000
Total	8,31,604	26,16,711	19,53,626	25,97,000	22,77,000	27,89,000
Provincial.						
1. Central Provinces	9,81,058	10,70,733	11,66,605	19,05,000	15,23,000	13,61,000
2. Burma	21,88,473	21,90,764	20,69,540	22,71,000	32,05,000	20,85,000
3. Assam	...	6,21,244	6,55,611	10,62,000	7,11,000	7,61,000
4. Bengal (new)	...	26,42,133	28,50,459	47,81,000	30,23,000	36,13,000
5. Bihar and Orissa	...	7,26,757	9,14,408	21,49,000	9,56,000	11,61,000
6. United Provinces	30,03,278	28,97,784	37,54,222	44,82,000	32,53,000	29,42,000
7. Punjab	21,26,662	25,82,514	13,72,398	14,37,000	27,91,000	22,73,000
8. Madras	18,27,119	20,51,628	24,86,398	25,17,000	24,99,000	21,10,000
9. Bombay	24,36,270	23,50,042	27,20,970	49,05,000	27,63,000	31,78,000
Eastern Bengal and Assam	12,57,082	...	...	...	...	...
Bengal (old)	25,06,729	...	...	...	...	...
Total	1,63,26,671	1,71,33,599	1,79,90,611	2,55,09,000	2,07,24,000	1,94,84,000
TOTAL INDIA ₹	1,71,58,275	1,97,50,310	1,99,44,237	2,81,06,000	2,30,01,000	2,22,73,000
Equivalent in Sterling £	1,143,885	1,316,687	1,329,616	1,873,700	1,533,400	1,484,900
England £	11,605	10,531	8,319	11,300	6,400	5,100
TOTAL £	1,155,490	1,327,218	1,337,935	1,885,000	1,539,800	1,490,000

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	5,868	5,707	6,036	5,000	6,000	6,000
2. Delhi	...	83	826	2,000	1,000	1,000
3. Baluchistan	1,694	1,705	1,880	2,000	...	...
4. North-West Frontier	96	352	181	...	2,000	1,000
OTAL	7,658	7,847	8,923	9,000	9,000	8,000
Provincial.						
1. Central Province	15,568	19,587	17,386	18,000	16,000	18,000
2. Burma	1,02,072	1,11,886	1,04,390	1,11,000	1,05,000	1,11,000
3. Assam	...	18,709	23,920	25,000	25,000	26,000
4. Bengal (new)	...	4,26,733	4,20,307	3,97,000	3,75,000	3,80,000
5. Bihar and Orissa	...	16,207	13,852	16,000	17,000	19,000
6. United Provinces	54,592	54,657	72,485	1,41,000	2,18,000	2,15,000
7. Punjab	50,157	91,339	64,731	62,000	73,000	82,000
8. Madras	1,27,362	1,53,648	1,91,716	1,27,000	1,55,000	1,45,000
9. Bombay	2,44,092	3,25,370	2,77,970	2,60,000	3,00,000	2,90,000
Eastern Bengal and Assam	50,508	...	...	...	...	...
Bengal (old)	3,37,817	...	...	...	...	...
TOTAL	9,82,168	12,18,136	11,86,757	11,57,000	12,84,000	12,86,000
TOTAL INDIA ₹	9,89,826	12,25,983	11,95,680	11,66,000	12,93,000	12,94,000
Equivalent in Sterling £	65,988	81,732	79,712	77,700	86,200	86,300
England £	859	773	676	700	700	600
TOTAL £	66,847	82,505	80,388	78,400	86,900	86,900

EXPENDITURE.

(*a*) *Imperial.*

Revised, 1914-15.

105. The total Revised estimate for 1914-15 is less than the Budget by ₹3·20 lakhs. The Budget grant for India General included a reserve of ₹7·80 lakhs for the improvement of sanitation out of the special appropriation of ₹51 lakhs made for this purpose from Imperial revenues in recent years. From this sum, non-recurring contributions aggregating ₹5·70 lakhs have been given to Provincial Governments and a non-recurring allotment of ₹2 lakhs has been made for anti-malarial and other sanitary measures in Delhi, the balance of ₹·10 lakh being utilised to meet the needs of minor administrations. The resultant reduction in the grant for India General amounts to ₹7·7 lakhs: the fact that the actual reduction expected (₹7·11 lakhs) is a somewhat smaller figure, is due to a partially counterbalancing increase, mainly occurring in the charges of the Director General, Indian Medical Service, and of the Sanitary Commissioner, consequent on a reorganization of establishments. The increase of ₹3·94 lakhs over the Budget grant for Delhi is due to (1) the special grant of ₹2 lakhs mentioned above, and (2) the payment of a contribution of ₹2 lakhs to the Lady Hardinge Medical College, a moiety of which represents the grant for 1913-14 which was not paid in that year, while provision for the other moiety was made in the Budget under "22.—Education." The Revised estimate for the North-West Frontier Province includes a sum of ₹1 lakh for sanitary grants to local bodies for which provision was made in the Budget under "45.—Civil Works." The resultant excess over the Budget grant for Medical is partially counterbalanced by a refund by the Peshawar Municipality of a contribution paid to it in 1913-14 and by lapses in ordinary grants.

Budget, 1915-16.

106. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by ₹5·12 lakhs. It provides for the cost of sanctioned establishments and allows for the temporary transfer of certain Medical officers to military duty. The Budget for India General includes a reserve of ₹7·70 lakhs for the improvement of sanitation. This reserve represents the portion of the special appropriation of ₹51 lakhs referred to in paragraph 105 which has not yet been assigned permanently to Provincial Governments or allotted for recurring outlay in minor administrations, etc. The estimate for Delhi provides for the recurring grant of ₹1 lakh to the Lady Hardinge Medical College; and the decrease in the Budget, as compared with the Revised estimate for the current year, is due to the absence of the special grant of ₹2 lakhs for sanitary measures and of the payment to the Lady Hardinge Medical College of the grant for 1913-14, which are included in the Revised estimate (see paragraph 105).

(*b*) *Provincial.*

Revised, 1914-15.

107. The total Revised estimate for 1914-15 is ₹47·85 lakhs less than the Budget. The latter included special allotments aggregating about ₹78 lakhs for outlay under Medical from recurring and non-recurring appropriations made from Imperial revenues for the development of sanitation. The amount of expenditure out of these special Imperial subventions in the current year, which will be recorded under Medical, is now estimated at about ₹48 lakhs, *i.e.*, ₹30 lakhs less than the Budget provision. Apart from outlay out of the special Imperial grants, the expenditure in 1914-15 will thus fall short of the Budget grants by about ₹18 lakhs. The saving, which is shared by all the provinces, is generally due to the transfer to temporary military duty of officers of the Indian Medical Service in Civil employ and to lapses in the allotments for ordinary and plague expenditure. The excesses over Budget grants shown against Burma and the Punjab in the table on page 66 are nominal, and are caused by the record under Medical of certain items of expenditure, budget provision for which was made under "45.—Civil Works."

Budget, 1915-16.

108. The Budget estimate for 1915-16 is less than the Revised for 1914-15 by ₹12·40 lakhs. The decrease occurs wholly in the outlay from special

Imperial grants for which a provision of about R34 lakhs has been made in the Budget under Medical, against a probable expenditure of R48 lakhs under the same head in the current year. Provision has generally been made for the full cost of sanctioned establishments, due allowance being made for the temporary transfer from civil to military duty of a number of officers of the Indian Medical Service, as well as for normal outlay in other directions.

109. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants made from Imperial revenues in the years 1911-12 to 1913-14 in aid of sanitation. To simplify the position, it has been assumed that the recurring grant is fully utilised before any expenditure is debited against the non-recurring grant; and the *minus* figure in 1914-15 and 1915-16 against two provinces indicates a lapse in the recurring grant also.

[In lakhs of Rs.]

Province.	Grants to end of 1913-16.	Expenditure.					Balance.
		To end of 1913-14.	In 1914-15 (Revised) recorded under		In 1915-16 (Budget) recorded under		
			Medical.	Other heads.	Medical.	Other heads.	
Central Provinces .	16·50	4·14	2·86	·14	3·00	...	6·36
Burma . . .	21·50	9·32	...	5·04	...	...	7·14
Assam . . .	6·96	4·00	·17	2·15	...	·26	·38
Bengal . . .	40·55	12·23	·85	·48	...	...	26·99
Bihar and Orissa .	17·82	8·97	...	4·93	—·11	...	4·03
United Provinces .	49·00	24·45	4·75	·95	1·50	...	17·35
Punjab . . .	28·97	14·41	5·77	·23	2·50	...	6·06
Madras . . .	39·25	10·68	3·00	12·25	...	9·00	4·32
Bombay . . .	37·95	18·68	—·01	...	—1·00	...	20·28
Total .	258·50	106·88	17·39	26·17	5·89	9·26	92·91

Revenue.

(*a*) *Imperial.*

110. The figures show little variation.

(*b*) *Provincial.*

Revised, 1914-15. 111. The increase of R1·27 lakhs in the revenue in 1914-15 over the Budget estimate is mainly due to the refund of contributions made to certain municipalities in the United Provinces in 1913-14, and to an improvement in the hospital receipts in Bombay and in some of the other provinces. The *Budget, 1915-16.* Budget estimate for 1915-16 practically repeats the Revised estimate for the current year.

25.—POLITICAL.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	61,56,080	59,54,979	66,13,582	65,69,000	66,07,000	65,34,000
2. Delhi	...	44,388	...	...	1,000	1,000
3. Baluchistan	23,47,655	23,34,142	24,15,124	24,17,000	24,19,000	25,19,000
4. North-West Frontier	30,61,756	31,47,089	31,59,306	32,66,000	32,24,000	34,57,000
5. Punjab	6,28,668	6,52,497	6,92,886	7,49,000	6,50,000	6,36,000
6. Other Provinces	5,59,940	5,54,949	6,56,541	6,07,000	6,94,000	6,90,000
TOTAL	1,27,54,099	1,26,88,044	1,35,37,439	1,36,08,000	1,35,95,000	1,38,37,000
Provincial.						
1. Central Provinces	32,431	40,212	23,716	36,000	33,000	28,000
2. Burma	4,51,115	9,39,395	13,58,283	19,23,000	20,39,000	20,37,000
3. Assam	...	6,91,696	16,15,626	6,37,000	5,42,000	6,67,000
4. Bengal (new)	...	38,976	32,975	29,000	28,000	30,000
5. Bihar and Orissa	...	52,132	64,917	53,000	55,000	58,000
6. United Provinces	6,273	4,139	2,797	10,000	4,000	8,000
7. Madras	1,02,709	95,175	88,834	92,000	87,000	88,000
8. Bombay	4,32,446	4,21,351	4,36,079	5,48,000	5,68,000	5,08,000
Eastern Bengal and Assam	5,38,984	...	...	...	...	...
Bengal (old)	57,779	...	...	...	...	...
TOTAL	16,21,737	22,83,076	36,23,227	33,28,000	33,56,000	34,24,000
TOTAL INDIA . R	1,43,75,836	1,49,71,120	1,71,60,666	1,69,36,000	1,69,51,000	1,72,61,000
Equivalent in Sterling £	958,389	998,075	1,144,044	1,129,100	1,130,100	1,150,700
England . . . £	9,769	7,848	15,146	15,100	24,000	5,600
TOTAL . £	968,158	1,005,923	1,159,190	1,144,200	1,154,100	1,156,300

112. The Imperial outlay shown against "Other Provinces" consists of the charges of the Political Residency at Aden and certain other expenditure—mainly in connection with political refugees and State prisoners—in several provinces.

INDIA.

(*a*) *Imperial.*

Revised, 1914-15.

113. The total expenditure in 1914-15 is not expected to differ materially from the Budget provision. There will be a saving in the grant for the Turco-Persian Frontier Commission owing to its early termination, and in the charges of political refugees due to the death of Sardar Ayub Khan; but it will nearly be counterbalanced by an increase in the outlay on the buoying and lighting of the Persian Gulf, and by extra expenditure on telegram charges and in other directions at Aden and elsewhere necessitated by the war. The Budget estimate for 1915-16 is taken at R2·42 lakhs higher than the Revised estimate for the current year, the excess being mainly due to full provision for the revision of the Northern Waziristan Militia and certain other schemes which have been sanctioned during the current year.

Budget, 1915-16.

(*b*) *Provincial.*

Revised, 1914-15.

114. The total Revised estimate for 1914-15 does not differ materially from the Budget grant, an increase of R1·16 lakhs in Burma, mainly in the special expenditure in connection with the administration and proper control of the North-East Frontier, being nearly covered by a decrease of R·95 lakh in the similar expenditure in Assam. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R·68 lakh. Provision

Budget, 1915-16.

has been made for an increase of R1·25 lakhs in the special expenditure in Assam on the North-East Frontier with reference to the cost of establishments already sanctioned. But there will be a reduction in Bombay owing to the absence of certain payments of arrears of salary made in the current year.

ENGLAND.

Revised, 1914-15.

Budget, 1915-16.

115. The Revised estimate for 1914-15 exceeds the Budget by £8,900 mainly in consequence of higher outlay on stores required for lighting and buoying the Persian Gulf. No expenditure on this account is anticipated in 1915-16, and this explains the decrease of £18,400 in the Budget estimate as compared with the Revised estimate for the current year.

XXI A. AND 26 A.—AGRICULTURE.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	8,83,255	6,80,936	7,68,693	8,25,000	7,80,000	8,31,000
2. Delhi	...	2,553	7,298	13,000	13,000	12,000
3. Baluchistan	41,009	40,770	22,837	32,000	28,000	32,000
4. North-West Frontier	55,748	58,345	1,05,234	1,21,000	88,000	1,19,000
5. Other Provinces	2,50,044	4,16,080	3,36,908	3,79,000	29,000	30,000
TOTAL	12,30,056	11,98,684	12,41,020	13,70,000	9,38,000	10,24,000
Provincial.						
1. Central Provinces	5,00,761	6,32,241	7,25,222	7,42,000	7,56,000	8,54,000
2. Burma	3,77,047	4,22,707	4,69,492	5,02,000	5,39,000	5,63,000
3. Assam	...	1,24,429	2,04,544	3,17,000	2,91,000	2,66,000
4. Bengal (new)	...	7,72,187	9,06,776	11,86,000	9,76,000	11,17,000
5. Bihar and Orissa	...	3,39,643	4,46,941	4,89,000	5,03,000	5,37,000
6. United Provinces	10,49,600	11,10,006	11,90,486	11,46,000	11,55,000	12,22,000
7. Punjab	7,16,430	7,44,876	8,55,270	10,53,000	11,49,000	11,72,000
8. Madras	6,06,087	7,45,830	8,95,246	9,38,000	9,53,000	10,73,000
9. Bombay	10,06,783	9,22,044	10,70,232	13,11,000	12,60,000	12,71,000
Eastern Bengal and Assam	3,70,492	...	...	...	...	...
Bengal (old)	7,57,065	...	...	...	...	...
TOTAL	53,84,265	58,13,913	67,64,209	76,84,000	75,82,000	80,80,000
TOTAL INDIA . ₹	66,14,321	70,12,597	80,05,229	90,54,000	85,20,000	91,04,000
Equivalent in Sterling £	440,955	467,507	533,682	603,600	568,000	606,900
England . . . £	945	...	1,257	2,500	2,500	2,000
TOTAL . £	441,900	467,507	534,939	606,100	570,500	608,900

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	1,62,633	1,25,406	1,28,052	1,20,000	1,08,000	1,31,000
2. Delhi	...	2,466	1,086	...	...	...
3. Baluchistan	189	626	1,612	1,000	4,000	3,000
4. North-West Frontier	784	1,213	2,167	7,000	3,000	7,000
5. Punjab	...	66,153	...	...	...	...
TOTAL	1,63,606	1,95,864	1,32,917	1,28,000	1,15,000	1,41,000
Provincial.						
1. Central Provinces	67,092	85,331	1,10,198	1,06,000	1,32,000	1,13,000
2. Burma	6,948	8,766	13,351	16,000	15,000	20,000
3. Assam	...	6,902	8,232	11,000	9,000	11,000
4. Bengal (new)	...	79,644	78,756	85,000	78,000	82,000
5. Bihar and Orissa	...	20,747	21,407	24,000	23,000	48,000
6. United Provinces	1,51,055	1,42,387	1,83,256	1,69,000	1,86,000	1,98,000
7. Punjab	1,03,525	1,25,491	2,16,560	2,78,000	1,83,000	1,88,000
8. Madras	92,144	89,561	1,00,652	1,06,000	1,18,000	1,20,000
9. Bombay	1,01,468	1,02,339	1,22,622	1,14,000	1,23,000	1,48,000
Eastern Bengal and Assam	22,303	...	...	...	...	...
Bengal (old)	68,337	...	...	...	...	...
TOTAL	6,12,872	6,61,668	8,55,534	9,09,000	8,67,000	9,28,000
TOTAL INDIA . ₹	7,76,478	8,57,532	9,88,451	10,37,000	9,82,000	10,69,000
Equivalent in sterling £	51,765	57,169	65,897	69,100	65,500	71,300
England . . £	...	...	...	...	...	...
TOTAL . £	51,765	57,169	65,897	69,100	65,500	71,300

EXPENDITURE.

(*a*) *Imperial.*

Revised, 1914-15.

116. The total Revised Estimate for 1914-15 is less than the Budget by ₹4·32 lakhs. The decrease of ₹3·50 lakhs, shown against "Other Provinces" in the table on page 71, is explained by the fact that the salaries of officers of the Indian Civil Veterinary Department, with the exception of the Camel Specialist in the Punjab, are now recorded as Provincial expenditure, whereas the corresponding provision in the Budget was made in the Imperial section of the estimates. Apart from this special variation, a saving of ₹ ·82 lakh is now expected in the Budget provision owing to lapses in ordinary grants and the non-utilisation of a lump allotment for the creation of a separate Veterinary Department in the North-West Frontier Province. The Budget estimate provides generally for sanctioned establishments and repeats the lump allotment in the North-West Frontier Province.

Budget, 1915-16.

(*b*) *Provincial.*

Revised, 1914-15.

117. The total expenditure in 1914-15 is expected to fall short of the Budget estimate by ₹1·02 lakhs. Lapses in ordinary grants and in the lump allotments for fresh expenditure will occur in every province; but, except in Bengal, Bombay and Assam, they are obscured by the expenditure on the salaries of officers of the Civil Veterinary Department, which are being recorded in the Provincial section with effect from the current year. The Budget estimate for 1915-16 provides generally for sanctioned establishments. Special allotments have also been made in Bengal, in Madras and in some of the other provinces, for the further development of the agricultural and veterinary departments.

Budget, 1915-16.

REVENUE.

118. The figures do not show any important variation.

XXIB AND 26B.—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	44,35,731	44,68,543	45,24,624	48,83,000	44,85,000	45,71,000
2. Delhi	...	14,819	9,200	2,000	4,000	2,000
3. Baluchistan	25,141	17,038	11,998	7,000	9,000	7,000
4. North-West Frontier	23,690	13,584	9,749	10,000	9,000	10,000
5. Other Provinces	12,01,708	1,55,750	34,545	46,000	35,000	42,000
TOTAL	56,86,270	46,69,734	45,90,116	49,48,000	45,42,000	46,32,000
Provincial.						
1. Central Provinces	62,604	80,190	72,130	93,000	75,000	95,000
2. Burma	63,237	67,027	69,103	74,000	84,000	78,000
3. Assam	...	46,872	93,218	51,000	93,000	85,000
4. Bengal (new)	...	8,91,816	5,19,023	5,44,000	5,28,000	5,05,000
5. Bihar and Orissa	...	16,492	30,303	19,000	30,000	21,000
6. United Provinces	1,01,720	1,18,326	96,295	93,000	91,000	1,01,000
7. Punjab	54,796	76,438	1,10,418	1,55,000	94,000	1,72,000
8. Madras	7,30,101	11,20,234	8,82,452	8,07,000	9,78,000	11,34,000
9. Bombay	77,426	1,03,546	1,33,320	1,18,000	1,35,000	1,46,000
Eastern Bengal and Assam	74,632	...	...	...	...	...
Bengal (old)	5,96,101	...	...	...	...	...
TOTAL	17,60,617	25,20,941	20,06,262	19,54,000	21,08,000	23,37,000
TOTAL INDIA ₹	74,46,887	71,90,675	65,96,378	69,02,000	66,50,000	69,69,000
Equivalent in Sterling £	496,459	479,378	439,759	460,200	443,300	4,64,600
England (mainly stores) £	22,846	25,440	33,529	38,400	40,100	37,800
TOTAL £	519,305	504,818	473,288	498,600	483,400	502,400

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	1,11,447	1,04,131	1,37,049	1,39,000	1,73,000	1,44,000
2. Delhi	...	...	4,669	3,000	5,000	5,000
3. Baluchistan	660	762	736	1,000	...	...
4. North-West Frontier	88	111	212	...	1,000	1,000
TOTAL	1,12,195	1,05,004	1,42,666	1,43,000	1,79,000	1,50,000
Provincial.						
1. Central Provinces	26,937	30,164	32,194	30,000	27,000	28,000
2. Burma	857	720	310	1,000	2,000	1,000
3. Assam	...	13,868	10,186	11,000	10,000	12,000
4. Bengal (new)	...	1,38,287	1,98,925	1,87,000	4,30,000	3,53,000
5. Bihar and Orissa	...	5,060	3,740	6,000	5,000	6,000
6. United Provinces	18,467	13,945	25,339	21,000	22,000	20,000
7. Punjab	2,570	5,261	1,555	1,000	8,000	23,000
8. Madras	5,49,620	4,79,461	5,71,567	5,52,000	8,22,000	7,93,000
9. Bombay	16,734	16,350	17,726	18,000	40,000	53,000
Eastern Bengal and Assam	22,748	...	...	...	...	...
Bengal (old)	1,71,203	...	...	...	...	...
TOTAL	8,09,136	7,03,116	8,61,542	8,27,000	13,66,000	12,89,000
TOTAL INDIA ₹	9,21,331	8,08,120	10,04,208	9,70,000	15,45,000	14,39,000
Equivalent in Sterling £	61,422	53,874	66,947	64,700	103,000	95,900
England £	998	761	962	900	900	900
TOTAL £	62,420	54,635	67,909	65,600	103,900	96,800

Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
(a) Scientific—						
i. Survey of India	25,80,259	26,27,411	25,94,086	28,55,000	25,12,000	25,80,000
ii. Geological Survey	3,07,997	3,00,501	3,00,073	3,20,000	2,69,000	3,22,000
iii. Meteorological Survey	3,85,074	3,97,114	4,27,266	4,93,000	4,75,000	4,77,000
iv. Archæological Survey	2,22,020	2,59,834	3,08,433	3,11,000	3,40,000	3,18,000
v. Central Museum	1,75,269	1,59,271	1,44,177	1,47,000	1,41,000	1,33,000
vi. Central Research and X-Ray Institutes	1,65,713	1,72,545	1,93,865	1,85,000	1,85,000	1,69,000
vii. Other items	63,489	76,518	75,251	59,000	68,000	63,000
(b) Labour and Emigration—						
Emigration and other charges	7,496	9,548	4,249	9,0	10,0 0	9,000
(c) Statistics—						
i. Bureau of Commercial Intelligence, and other charges	1,73,872	1,59,218	1,58,519	1,77,000	1,71,000	1,64,000
ii. Census	13,06,891	2,04,346	4 ,802	2,000	2,000	2,000
(d) Miscellaneous—						
i. Imperial Library	41,059	40,929	39,692	46,000	45,000	46,000
ii. Examinations	61,846	46,016	47,530	55,000	52,000	54,000
iii. Chief Inspector of Explosives	74,885	72,070	82,939	86,000	80,000	85,000
iv. Inspector of Mines	1,11,004	90,207	98,312	1,28,000	1,16,000	1,31,000
v. Controller of Patents	6,218	37,972	39,768	42,000	32,000	42,000
vi. Actuary to Government of India	...	4,008	21,115	22,000	23,000	23,000
vii. Other items	3,195	12,231	7,979	11,000	20,000	14,000
TOTAL R	56,86,270	46,69,734	45,90,116	49,48,000	45,42,000	46,32,000

EXPENDITURE.

119. The figures shown against "Other Provinces" in the table at page 73 represent expenditure incurred in the several provinces in connection with ethnographical surveys and census operations as well as the cost of the Archæological Department in Burma.

(a) *Imperial—India and England.*

Revised, 1914-15.

120. The total Revised estimate for 1914-15 is less than the Budget by R3·81 lakhs. A saving of R3·43 lakhs is expected in the charges of the Imperial Survey Department owing to the temporary transfer to military duty of the military officers employed in the Department and the consequent curtailment of its operations. Lapses will also occur in the grants of the Geological Survey and certain other Departments.

Budget, 1915-16.

121. The total Budget grant for 1915-16 is higher than the Revised for the current year by R·56 lakh. Provision has generally been made for sanctioned establishments and normal operations; and in the case of the Imperial Survey Department it has been assumed that the military officers who have been transferred temporarily to military duty will not return to the Department during the ensuing year.

(*b*) *Provincial.*

122. The total expenditure in 1914-15 is expected to exceed the Budget provision by R1·54 lakhs, mainly in consequence of larger outlay on the purchase of cinchona bark in Madras. The Budget estimate for 1915-16 exceeds the Revised for the current year by R2·29 lakhs, the increase being mainly due to enhanced provision for industrial experiments, and for the encouragement of industries, in Madras and the Punjab. *Revised, 1914-15.* *Budget, 1915-16.*

REVENUE.

(*a*) *Imperial.*

123. The figures do not show any important variation.

(*b*) *Provincial.*

124 The improvement in revenue in 1914-15 over the Budget estimate occurs chiefly in the receipts from the cinchona plantations in Bengal and Madras. The Budget estimate for 1915-16 anticipates some decline in these receipts in the ensuing year. *Revised, 1914-15.* *Budget, 1915-16.*

27.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
1. India General .	1,22,768	1,19,737	1,12,559	1,07,000	1,15,000	1,25,000
2. Delhi . . .	...	13,137	36,685	47,000	60,000	51,000
3. Baluchistan . .	46,302	50,659	49,278	57,000	45,000	45,000
4. Central Provinces .	1,89,250	1,82,692	1,71,252	1,82,000	1,78,000	1,78,000
5. Burma . .	1,50,959	1,59,660	1,48,662	1,44,000	1,51,000	1,41,000
6. Assam . . .	...	4,686	4,511	5,000	5,000	5,000
7. Bengal (new) .	...	7,62,691	7,93,382	7,53,000	7,45,000	7,35,000
8. Bihar and Orissa .	...	53,489	40,762	55,000	64,000	50,000
9 United Provinces .	7,99,263	7,59,308	7,52,347	7,94,000	7,50,000	7,87,000
10. Punjab . . .	1,35,266	1,21,803	81,638	91,000	76,000	70,000
11. North-West Frontier	63,444	62,377	66,975	62,000	61,000	61,000
12. Madras . . .	3,24,861	3,28,195	3,53,700	3,55,000	3,15,000	3,39,000
13. Bombay . .	5,48,984	5,06,950	5,31,218	5,21,000	5,21,000	5,22,000
Eastern Bengal and Assam . .	9,420	...	...	...	...	...
Bengal (old) . .	8,48,899	...	...	...	...	...
TOTAL INDIA . ₹	32,39,416	31,25,384	31,42,969	31,73,000	30,86,000	31,09,000
Equivalent in Sterling £	215,961	208,359	209,531	211,600	205,800	207,200
England . £	11,100	11,050	11,189	10,600	10,600	10,600
TOTAL . £	227,061	219,409	220,720	222,200	216,400	2,17,800

125. The total figures show little variation.

28.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Imperial.						
India . . . Rs	19,597	18,406	19,208	20,000	13,000	13,000
Equivalent in Sterling £	1,307	1,227	1,280	1,300	900	900
England . . £	424,435	410,957	450,326	432,000	360,000	83,000
TOTAL . £	425,742	412,184	451,606	433,300	360,900	83,900

126. Almost the whole of the expenditure recorded under this head is incurred in England. Leave allowances of officers paid in India are charged to the same head as their salaries, and the small sums shown against India represent leave allowances of officers lent to Foreign States, etc.

127. Owing to the recall of officers from leave in consequence of the war and the restriction imposed on the grant of leave out of India, the expenditure in the current year will fall short of the Budget provision by £72,400. The Budget estimate for 1915-16 anticipates a further reduction of £277,000 in these charges on the assumption that the orders restricting the grant of leave will remain in operation throughout the ensuing year. *Revised, 1914-15.* *Budget, 1915-16.*

XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	Budget, 1915-16.
Imperial.						
1. India General	9,95,017	10,33,139	12,06,141	12,69,000	12,60,000	12,60,000
2. Delhi	...	85,057	1,70,773	1,61,000	1,76,000	1,72,000
3. Baluchistan	13,975	20,996	29,244	34,000	34,000	28,000
4. North-West Frontier	1,35,228	1,45,328	1,70,624	1,79,000	1,64,000	1,72,000
5. Other Provinces	1,06,754	1,01,128	1,08,782	1,06,000	1,06,000	1,11,000
TOTAL	12,50,974	13,85,648	16,85,564	17,49,000	17,40,000	17,43,000
Provincial.						
1. Central Provinces	7,24,164	7,57,493	8,66,965	8,70,000	9,25,000	9,80,000
2. Burma	8,03,470	8,55,679	9,27,028	10,31,000	10,73,000	11,95,000
3. Assam	...	2,43,462	2,83,152	2,81,000	3,08,000	3,13,000
4. Bengal (new)	...	29,25,688	31,00,288	32,31,000	32,84,000	34,29,000
5. Bihar and Orissa	...	8,31,582	9,07,634	9,54,000	9,31,000	9,76,000
6. United Provinces	30,37,146	32,10,920	34,60,937	34,80,000	36,08,000	38,30,000
7. Punjab	18,71,378	19,17,806	21,72,893	22,24,000	23,17,000	23,91,000
8. Madras	25,98,314	27,66,814	31,24,098	32,04,000	34,71,000	35,13,000
9. Bombay	31,38,669	33,48,164	36,44,035	37,75,000	39,42,000	38,97,000
Eastern Bengal and Assam	8,63,089	...	...	...	...	...
Bengal (old)	29,16,661	...	...	...	...	...
TOTAL	1,59,52,891	1,68,57,608	1,84,87,030	1,91,10,000	1,99,19,000	2,05,24,000
TOTAL INDIA ₹	1,72,03,865	1,82,43,256	2,01,72,594	2,08,59,000	2,16,59,000	2,22,67,000
Equivalent in Sterling £	1,146,924	1,216,217	1,344,840	1,390,600	1,443,900	1,484,500
England £	2,040,496	2,068,102	2,054,647	2,059,000	2,058,000	2,059,000
TOTAL £	3,187,420	3,284,319	3,399,487	3,449,600	3,501,900	3,543,500

RECEIPTS.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	Budget, 1915-16.
Imperial.						
1. India General	3,18,587	3,18,608	3,54,865	3,37,000	4,08,000	3,97,000
2. Delhi	...	3,710	2,760	...	3,000	3,000
3. Baluchistan	3,448	3,428	3,568	4,000	5,000	5,000
4. North-West Frontier	19,420	15,779	19,653	18,000	23,000	23,000
5. Other Provinces	8,95,188	9,35,399	9,55,641	9,50,000	9,82,000	9,73,000
TOTAL	12,36,643	12,76,924	13,36,487	13,09,000	14,21,000	14,01,000
Provincial.						
1. Central Provinces	91,430	98,070	1,24,284	1,61,000	1,65,000	1,78,000
2. Burma	22,594	17,935	16,448	17,000	18,000	17,000
3. Assam	...	3,414	4,391	4,000	5,000	5,000
4. Bengal (new)	...	48,210	38,886	39,000	42,000	40,000
5. Bihar and Orissa	...	21,116	24,271	24,000	28,000	28,000
6. United Provinces	86,002	66,808	70,992	66,000	81,000	75,000
7. Punjab	78,973	90,204	75,601	84,000	70,000	70,000
8. Madras	87,537	93,797	94,511	93,000	1,02,000	1,02,000
9. Bombay	3,41,588	3,64,236	3,88,255	3,90,000	4,40,000	4,20,000
Eastern Bengal and Assam	10,140	...	...	...	...	...
Bengal (old)	66,359	...	...	...	...	...
TOTAL	7,84,623	8,03,790	8,37,639	8,78,000	9,51,000	9,35,000
TOTAL INDIA ₹	20,21,266	20,80,714	21,74,126	21,87,000	23,72,000	23,36,000
Equivalent in Sterling £	134,751	138,714	144,941	145,800	158,100	155,800
England £	66,719	61,672	61,869	58,800	49,200	34,000
TOTAL £	201,470	200,386	206,810	204,600	207,300	189,800

128. The figures of Imperial revenue shown against "Other Provinces" represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

(*a*) *Imperial—India and England.*

129. The figures show little variation.

(*b*) *Provincial.*

130. The Revised estimate for 1914-15 exceeds the Budget by R8·09 lakhs, the increase being due partly to a higher growth of pension charges than was anticipated and partly to a larger demand for the commutation of pensions. The Budget estimate for 1915-16 provides for the normal growth of the retired list. *Revised, 1914-15.* *Budget, 1915-16.*

REVENUE.

131. The variations in the figures are unimportant.

XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. Central Stationery Office	2,56,521	2,67,224	2,77,711	2,49,000	2,41,000	2,42,000
2. Stationery purchased for Central stores.	40,06,020	39,10,253	44,53,180	40,33,000	42,63,000	42,30,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	15,71,665	17,15,030	17,38,997	17,35,000	17,77,000	18,42,000
4. Other charges	13,455	11,070	9,331	10,000	10,000	11,000
5. *Deduct*—Value of supplies to Local Governments and Administrations and to Postal and Telegraph Department, etc.	—48,40,807	—47,79,771	—49,68,584	—49,28,000	—46,66,000	—48,36,000
6. Delhi	...	4,788	10,138	15,000	12,000	14,000
7. Baluchistan	2,800	1,532	2,100	3,000	3,000	3,000
8. North-West Frontier	82,738	91,183	1,09,250	1,16,000	1,12,000	1,22,000
TOTAL	10,92,392	12,21,309	16,32,123	12,33,000	17,52,000	16,28,000
Provincial.						
1. Central Provinces	3,37,128	3,26,223	4,05,077	4,04,000	4,01,000	4,25,000
2. Burma	7,83,162	7,94,109	6,91,512	7,59,000	7,57,000	7,46,000
3. Assam	...	1,70,639	1,65,196	1,81,000	1,69,000	1,81,000
4. Bengal (new)	...	13,34,429	14,85,406	14,44,000	13,56,000	13,87,000
5. Bihar and Orissa	...	3,21,904	3,16,285	7,51,000	6,53,000	6,89,000
6. United Provinces	8,24,460	8,73,853	9,18,067	9,01,000	9,24,000	9,31,000
7. Punjab	7,17,330	6,72,460	6,67,651	7,06,000	7,41,000	7,70,000
8. Madras	15,54,759	17,43,062	15,87,854	15,09,000	15,64,000	15,92,000
9. Bombay	13,61,930	13,58,931	14,97,543	15,01,000	14,00,000	14,10,000
Eastern Bengal and Assam	7,10,167	...	...	...	...	...
Bengal (old)	10,90,495	...	...	...	...	...
TOTAL	73,79,431	75,95,610	77,34,591	81,56,000	79,65,000	81,31,000
TOTAL INDIA ₹	84,71,823	88,16,919	93,66,714	93,89,000	97,17,000	97,59,000
Equivalent in Sterling £	564,788	587,795	624,448	625,900	647,800	650,600
England Stores £	98,374	85,314	99,812	86,200	110,000	95,000
England Other charges £	6,529	6,433	5,496	7,600	8,100	8,100
TOTAL £	669,691	679,542	729,756	719,700	765,900	753,700

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	4,46,335	3,98,311	4,54,839	4,18,000	4,33,000	4,23,000
2. Delhi	...	990	5,131	4,000	6,000	6,000
3. Baluchistan	192	561	205	...	...	...
4. North-West Frontier	18,008	17,993	20,387	20,000	23,000	24,000
5. Other Provinces	1,97,136	1,75,750	1,42,784	2,03,000	2,16,000	2,03,000
TOTAL	6,61,671	5,93,605	6,23,346	6,45,000	6,78,000	6,56,000
Provincial.						
1. Central Provinces	37,537	38,545	64,813	47,000	65,000	73,000
2. Burma	62,280	54,243	52,425	54,000	50,000	55,000
3. Assam	...	10,490	7,633	9,000	7,000	8,000
4. Bengal (new)	...	1,20,103	1,37,862	1,20,000	1,56,000	1,32,000
5. Bihar and Orissa	...	29,497	29,110	29,000	30,000	30,000
6. United Provinces	1,48,212	1,52,927	1,67,652	1,53,000	1,56,000	1,66,000
7. Punjab	1,43,944	1,43,521	72,208	72,000	87,000	92,000
8. Madras	1,03,898	1,10,699	1,33,155	99,000	1,34,000	1,23,000
9. Bombay	1,24,474	1,27,537	1,13,039	1,22,000	1,11,000	1,06,000
Eastern Bengal and Assam	47,283	...	...	...	...	...
Bengal (old)	1,24,063	...	...	...	...	...
TOTAL	7,91,691	7,87,562	7,77,897	7,05,000	7,96,000	7,85,000
TOTAL INDIA ₹	14,53,362	13,81,167	14,01,243	13,50,000	14,74,000	14,41,000
Equivalent in Sterling £	96,891	92,078	93,416	90,000	98,300	96,000

Expenditure.

(*a*) *Imperial, India and England.*

132. The total Imperial expenditure in 1914-15, exclusive of the charges of the commercial departments, is likely to exceed the Budget provision by R8·84 lakhs, in consequence of a higher outlay in England and in India on the replenishment of stock, smaller supplies to the Postal and Telegraph Department, and extra expenditure on stationery and printing necessitated by the war. The Budget estimate for 1915-16 anticipates a reduction in the outlay on the purchase of stores in England and an increase in the supplies to Provincial Governments, etc. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *Provincial.*

133. The total Revised estimate for 1914-15 is less than the Budget by R1·91 lakhs, a rise in the expenditure in Madras, the Punjab and the United Provinces being more than counterbalanced by savings in the other provinces. The Budget estimate for 1915-16 provides for a small increase in expenditure in almost all the provinces. *Revised, 1914-15.* *Budget, 1915-16.*

Revenue.

134. The figures do not show any important variation. The Imperial revenue shown against "Other provinces" represents recovery of the value of stationery supplied to railways and to municipalities and other local bodies.

XXIV AND 31.—EXCHANGE.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
Revenue . . ₹	15,85,457	15,13,188	17,96,110	10,00,000	10,75,000	...
Equivalent in Sterling £	105,697	100,879	119,741	66,700	71,700	...
Expenditure . . ₹	...	...	...	...	...	...
Equivalent in Sterling £	...	...	...	...	...	...

135. This head records the comparatively small sums which have to be brought to account owing to the fact that the remittances from India to England by means of council bills and transfers, and the remittances in the opposite direction by sterling bills and transfers, are not effected exactly at the rate of 16 pence to the rupee. The amounts brought to account in this connection in the current year will not materially exceed the Budget estimate. For 1915-16, it is considered prudent not to provide for any credit under this head, in view of the uncertainty regarding the course of exchange in the next twelve months.

Revised, 1914-15.

Budget, 1915-16.

XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. Remittance charges mainly in connection with movements of Government funds	4,48,723	6,65,248	5,50,269	5,24,000	5,05,000	5,82,000
2. Special Commissions of enquiry	8,008	1,41,701	5,61,686	42,000	2,50,000	65,000
3. Charges arising out of the War adjusted in Civil Department	...	...	...	...	5,08,000	4,93,000
4. Other charges:						
(*a*) in Delhi	...	9,840	38,386	90,000	50,000	98,000
(*b*) in the N.-W. Frontier Province	28,849	25,586	36,272	44,000	34,000	42,000
(*c*) elsewhere	4,76,533	3,16,809	33,13,006	10,59,000	13,46,000	13,04,000
Total	9,62,113	11,59,184	44,99,619	17,59,000	26,93,000	26,84,000
Provincial.						
1. Central Provinces	1,22,415	1,62,005	1,25,805	2,60,000	1,44,000	1,64,000
2. Burma	5,52,943	4,52,004	4,89,160	5,44,000	5,15,000	5,23,000
3. Assam	...	3,65,964	3,82,123	4,05,000	4,20,000	4,10,000
4. Bengal (new)	...	4,25,610	5,87,418	10,81,000	4,48,000	10,16,000
5. Bihar and Orissa	...	1,04,857	1,35,329	2,43,000	1,34,000	2,16,000
6. United Provinces	2,51,451	1,86,440	4,41,144	13,96,000	2,52,000	3,96,000
7. Punjab	3,07,508	5,45,225	3,76,195	12,21,000	3,82,000	8,07,000
8. Madras	3,73,921	5,15,369	5,22,297	5,35,000	4,90,000	4,94,000
9. Bombay	17,79,762	6,36,161	7,79,040	7,18,000	5,60,000	5,57,000
Eastern Bengal and Assam	5,63,026	...	...	...	...	...
Bengal (old)	3,96,802	...	...	...	...	...
Total	43,47,828	33,93,635	38,38,511	64,03,000	33,45,000	45,83,000
TOTAL INDIA . ₹	53,09,941	45,52,819	83,38,130	81,62,000	60,38,000	71,67,000
Equivalent in Sterling £	353,996	303,521	555,875	544,200	402,500	477,800
England . . £	34,913	27,257	46,360	80,700	152,900	43,700
TOTAL £	388,909	330,778	602,235	624,900	555,400	521,500

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	13,89,759	6,66,587	7,00,680	21,42,000	20,84,000	4,90,000
2. Delhi	...	10,550	36,383	43,000	51,000	50,000
3. Baluchistan	6,769	37,404	4,980	6,000	5,000	5,000
4. North-West Frontier	1,43,547	1,41,474	1,17,698	1,32,000	1,21,000	1,20,000
5. Other Provinces	9,93,941	6,77,177	8,47,150	5,20,000	6,41,000	8,63,000
TOTAL	25,34,016	15,33,192	17,06,891	28,43,000	29,02,000	15,28,000
Provincial.						
1. Central Provinces	1,17,049	2,09,422	1,86,431	1,56,000	1,67,000	1,84,000
2. Burma	76,016	1,21,139	73,837	77,000	82,000	80,000
3. Assam	...	67,549	46,659	44,000	48,000	49,000
4. Bengal (new)	...	7,72,339	7,68,760	5,92,000	6,89,000	6,90,000
5. Bihar and Orissa	...	3,05,276	2,64,766	3,25,000	3,91,000	3,06,000
6. United Provinces	4,00,649	3,31,376	5,45,347	3,50,000	4,20,000	4,52,000
7. Punjab	9,69,675	10,05,405	6,35,691	6,30,000	4,24,000	5,53,000
8. Madras	3,29,036	3,47,294	3,67,487	2,68,000	3,19,000	3,32,000
9. Bombay	1,13,522	2,03,612	82,637	76,000	87,000	77,000
Eastern Bengal and Assam	3,76,197	...	...	...	...	...
Bengal (old)	6,68,402	...	...	...	...	...
TOTAL	30,50,546	33,63,412	29,71,615	25,18,000	26,27,000	27,23,000
TOTAL INDIA . ₹	55,84,562	48,96,604	46,78,506	53,61,000	55,29,000	42,51,000
Equivalent in Sterling £	372,304	326,440	311,901	357,400	368,600	283,400
England . . £	36,714	45,424	40,711	13,000	13,700	14,000
TOTAL . £	409,018	371,864	352,612	370,400	382,300	297,400

136. Charges in connection with the remittance of Government treasure are Imperial in all provinces; so is the discount paid, or the premium levied, in connection with the sale of bills at treasuries and currency offices to facilitate trade remittances of funds. Extraordinary items of revenue realised, or of expenditure incurred, under this head in the various provinces are also treated as Imperial, if they exceed ₹10,000 in amount.

EXPENDITURE.

(*a*) *India—Imperial.*

Revised, 1914-15.

137. The Revised estimate for 1914-15 exceeds the Budget by ₹9·34 lakhs. A payment of ₹9·23 lakhs, for which no provision existed in the Budget, is to be made to the Mysore Durbar on account of the balance of arrears due to it in respect of the Bangalore Assigned Tract. Expenditure to the extent of ₹5·08 lakhs will be incurred in connection with the capture of enemy vessels, the internment of enemy subjects, and other miscellaneous items connected indirectly with the war. An increase of ₹2·08 lakhs is expected in the charges of special commissions of enquiry, mainly in connection with the appointment of the Budge Budge Riots Committee and the Committee on Co-operation in India. A special payment of ₹1·28 lakhs has also been made to an officer as compensation for losses sustained by him. On the other hand, the bulk of the reserve of ₹8 lakhs (including ₹·5 lakh for Delhi) for unforeseen charges, which was provided in the Budget under Miscellaneous, has been appropriated to meet necessary and sanctioned outlay under other heads of account.

Budget, 1915-16.

138. The Budget estimate for 1915-16 provides for normal charges; for miscellaneous expenditure connected with the war likely to be incurred in the ensuing year; and for a reserve of ₹10·5 lakhs for unforeseen expenditure, of which ₹·5 lakh is for Delhi.

(*b*) *India—Provincial.*

Revised, 1914-15.

139. The total Revised estimate for 1914-15 is less than the Budget by ₹30·58 lakhs. The Budget estimate for "32—Miscellaneous" included a provision of ₹5·75 lakhs for relieving local bodies in some of the provinces of certain contributions hitherto recovered from them. Against this provision, no expenditure will be recorded under Miscellaneous, as the effect of the measure will be a reduction of revenue or an increase in expenditure under other heads of account; and there is a consequent saving of ₹5·75 lakhs in the Budget provision under Miscellaneous. The balance of the decrease in the Revised estimate for 1914-15 under the latter head, as compared with the Budget estimate, is mainly due to the record under other heads of account of expenditure against the lump provision for grain compensation allowance and against the various other reserves which were included in the Budget estimates of several provinces under Miscellaneous; to smaller remissions of agricultural and other loans in the United Provinces; and to lapses in the lump provision made in the Punjab for the revision of the copying agency establishment, and in the Central Provinces for the improvement of the furniture and equipment of Government offices.

Budget, 1915-16.

140. The Budget estimate for 1915-16 provides generally for normal charges and for the usual reserve for unforeseen expenditure in most provinces. In Bengal and the United Provinces, lump allotments have again been made for grain compensation charges; and in the Punjab provision has been made for the general introduction of the new copying agency rules.

(*c*) *England.*

Revised, 1914-15.

141. The expenditure in 1914-15 is likely to exceed the Budget provision by £72,200, owing mainly to an increase in the marine insurance and other miscellaneous charges connected with the supply of stores to India, and to certain payments to officers recalled from leave out of India. The Budget estimate

for 1915-16 provides for normal charges, and allows for a decrease in the expenditure of the Public Services Commission, and in the miscellaneous charges connected with the supply of stores to India. *Budget, 1915-16.*

REVENUE.

(*a*) *India—Imperial.*

142. The total Revised estimate for 1914-15 does not differ materially from the Budget estimate, a reduction of about ₹2 lakhs in the revenue derived from premium on bills, consequent on the dislocation of trade, being more than counterbalanced by special receipts in connection with the captured enemy vessels. The Budget estimate for 1915-16 provides generally for normal revenue, and for certain special receipts from the anticipated sale of town sites in the Punjab. The large reduction of ₹13·74 lakhs in the total Budget estimate, as compared with the Revised estimate of the current year, is due to the fact that the latter included an extraordinary receipt of about ₹15½ lakhs from the write-off to revenue of the balances of the discharged 4 per cent. loans which had remained unclaimed for twenty years. *Revised, 1914-15.* *Budget, 1915-16.*

(*b*) *India—Provincial.*

143. The total revenue in 1914-15 is likely to exceed the Budget by ₹1·09 lakhs. The improvement is mainly due to larger credits on account of unclaimed deposits, mostly in Bengal, the United Provinces and Madras; to increased receipts from fisheries in Madras; and to certain special receipts in Bihar and Orissa. In the Punjab, on the other hand, a large reduction is anticipated in the revenue, owing to heavy refunds of lapsed deposits and smaller receipts in connection with the copying agency establishment. The Budget estimate for 1915-16 provides for normal receipts, and for an increase in the recoveries in connection with the copying agency establishment in the Punjab consequent on the extension of the new copying agency rules. *Revised, 1914-15.* *Budget, 1915-16.*

(*c*) *England.*

144. The figures show little variation.

33 TO 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	Budget, 1915-16.
INDIA.						
Famine Relief { Imperial	17,14,503	28,33,278	23,62,671	29,53,000	27,56,000	1,06,000
Famine Relief { Provincial	—100	...	...	15,25,000	15,92,000	...
Construction of Protective Railways . .	4,37,689	4,10,978	1,17,532	2,000	—22,000	...
Construction of Protective Irrigation Works	56,83,204	62,87,484	71,28,997	69,63,000	72,37,000	72,52,000
Reduction or Avoidance of Debt . . .	68,69,505	51,48,053	51,37,329	30,22,000	31,52,000	73,94,000
TOTAL INDIA R	1,47,04,801	1,46,79,793	1,47,46,529	1,44,65,000	1,47,15,000	1,47,52,000
Equivalent in Sterling £	980,320	978,653	983,102	964,300	981,000	983,500
ENGLAND.						
Construction of Protective Railways . .	15,096	14,012	741	...	...	...
Construction of Protective Irrigation Works	4,584	7,335	16,157	35,700	19,000	16,500
TOTAL INDIA AND ENGLAND . .	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Revised, 1914-15.

145. The expenditure in the current year under the head Famine Relief is now estimated at R43·48 lakhs, the amount being distributed as shown below :—

	Lakhs of R
United Provinces	36·50
Punjab	2·00
Central Provinces	1·15
Bombay	1·10
Ajmer-Merwara, etc.	2·73
	43·48

About R13 lakhs of the outlay in the United Provinces, and the bulk of the expenditure in the other provinces, have been incurred in connection with fodder operations and other measures for the protection of cattle in the famine-stricken tracts. R15·92 lakhs of the expenditure in the United Provinces will appear in the Provincial section of the estimates under the standing arrangements which regulate the incidence of famine relief expenditure.

146. The amount available for famine insurance in 1914-15 accordingly amounts to R106·52 lakhs, of which R75 lakhs will be spent on protective works and R31·52 lakhs will be appropriated for the reduction or avoidance of debt.

Budget, 1915-16.

147. In the Budget estimate for 1915-16 provision has been made, as usual, for a total grant of R150 lakhs under this group head. A moiety of this sum will be allotted for the construction of protective works. Out of the other moiety, a small sum of R1·06 lakhs will be required to meet expenditure debitable to the head Famine Relief, in connection with the fodder operations of the current year and the formation of a reserve of famine tools. The remainder, namely R73·94 lakhs, will be utilised for the avoidance of debt. Of the last-named sum, R24·70 lakhs will appear in the Provincial section of the estimates as a result of the arrangements explained in the Financial Statement for 1907-08 (*vide* also paragraph 221).

CONSTRUCTION OF PROTECTIVE RAILWAYS.

148. The small *minus* figure entered in the Revised estimate for 1914-15 represents the value of surplus stores of the Dharmapuri-Hosur extension of the Morappur-Dharmapuri Railway. No outlay on the construction of Protective railways is contemplated in 1915-16.

CONSTRUCTION OF PROTECTIVE IRRIGATION WORKS.

149. In the Budget estimate for 1914-15, a total allotment of R80 lakhs was made for outlay on Protective Irrigation works. Of this sum, R74·98 lakhs represented the amount available from the Famine Insurance grant for this purpose; and the balance of R5·02 lakhs was the supplementary provision made from the general resources of Government to foster the rapid development of this important class of works. The latter provision was shown under a separate head in the Irrigation section of the estimates. *Revised, 1914-15.*

150. The probable expenditure according to the Revised estimate will amount to R85·24 lakhs, owing to a satisfactory progress of work on most of the important projects. R75·22 lakhs of the outlay will be recorded in the Famine Relief and Insurance section of the accounts and the remaining R10·02 lakhs will appear in the Irrigation section.

151. In the Budget estimate for 1915-16 the total allotment for Protective Irrigation works amounts to R75 lakhs, the whole of which will be met from the amount available from the Famine Insurance grant for this purpose. The distribution of the grant of R75 lakhs is given in the table below. *Budget, 1915-16.*

	1914-15.		Budget, 1915-16.
	Budget.	Revised.	
1. Central Provinces:	R	R	R
(i) Tandula Canal	10,74,000	10,88,000	11,41,000
(ii) Tank projects	6,03,000	6,57,000	6,59,000
(iii) Other projects, etc.	2,23,000	1,13,000	2,54,000
2. Burma	4,000	6,000	...
3. Bengal	3,000	3,000	2,000
4. Bihar:			
(i) Tribeni Canal	2,46,000	1,78,000	1,85,000
(ii) Other projects, etc.	30,000	25,000	15,000
5. United Provinces:			
(i) Betwa Canal (including Dhukwan weir)	18,000	26,000	31,000
(ii) Ken „ (including Gangao dam)	3,48,000	2,78,000	2,87,000
(iii) Dassan „	34,000	62,000	35,000
(iv) Ghaggar „	6,16,000	6,78,000	5,80,000
(v) Other projects, etc.	2,64,000	3,36,000	2,28,000
6. Madras:			
(i) Mopad project	3,91,000	3,29,000	3,52,000
(ii) Other projects	1,09,000	1,11,000	73,000
7. Bombay:			
(i) Godaveri Canal	5,80,000	4,31,000	2,67,000
(ii) Chankapur Tank	...	60,000	49,000
(iii) Pravara river project	10,99,000	8,81,000	10,53,000
(iv) Nira Right Bank Canal	31,40,000	32,27,000	32,00,000
(v) Other projects, etc.	81,000	29,000	81,000
8. Minor administrations	7,000	6,000	8,000
9. Reserve provision	1,30,000	...	...
Deduct—Allowance for possible lapses in grants	*10,00,000*	...	*10,00,000*
	80,00,000	85,24,000	75,00,000
Deduct—Amount provided in the Irrigation Section (*vide* page 94) outside the Famine Insurance grant	*5,02,000*	*10,02,000*	...
Net provision under head "35.—Construction of Protective Irrigation Works"	74,98,000	75,22,000	75,00,000

XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
STATE RAILWAYS—	₹	₹	₹	₹	₹	₹
Gross Receipts	50,36,86,936	55,02,95,453	56,31,92,029	56,60,06,000	53,45,96,000	53,01,26,000
Deduct—						
Working Expenses	25,89,45,724	28,02,31,303	29,35,91,182	29,74,00,000	29,63,20,000	29,86,96,000
Surplus profits paid to Companies, etc.	72,30,008	1,06,44,626	66,12,854	96,26,000	1,02,86,000	73,23,000
Net Receipts	23,75,11,204	25,94,19,524	26,29,87,993	25,89,80,000	22,79,90,000	22,41,07,000
Net Revenue equivalent at ₹15=£1	£ 15,834,080	£ 17,294,635	£ 17,532,533	£ 17,265,300	£ 15,199,300	£ 14,940,400
Interest and capital redemption charges—						
Interest on Debt	6,279,070	6,683,164	6,887,842	7,047,500	7,544,900	7,666,800
Annuities in purchase of Railways	3,357,301	3,357,672	3,379,581	3,357,700	3,357,700	3,357,700
Sinking Funds	177,677	184,437	191,707	199,400	199,400	208,100
Interest chargeable against Companies on advances	385,140	389,384	415,303	343,700	97,600	98,900
Interest on Capital deposited by Companies	1,825,970	1,854,062	1,952,416	2,187,600	1,988,300	2,253,300
	12,025,158	12,468,719	12,826,849	13,135,900	13,187,900	13,584,800
Net Result	3,808,922	4,825,916	4,705,684	4,129,400	2,011,400	1,355,600
GUARANTEED RAILWAYS—						
Net Result	...	3,980	...	...	...	...
Other Receipts	57,645	73,174	93,101	64,400	69,000	88,800
Other Charges	78,797	99,716	9,252	273,100	166,800	254,700
Net Result	—21,152	—26,542	83,849	—208,700	—97,800	—165,900
TOTAL NET RESULT	3,787,770	4,803,354	4,789,533	3,920,700	1,913,600	1,189,700
Redemption of capital from revenue	812,928	840,561	869,165	898,775	898,775	929,427
STATISTICS—						
State Railways—						
Capital Expenditure to March 31st—						
Expenditure by Government*	195,464,910	204,310,398	214,768,922	224,231,198	222,952,189	224,057,856
Expenditure by Companies	38,604,907	39,687,927	41,510,962	43,099,027	42,508,262	42,870,562
Outlay on the East Indian Railway from Debentures raised by the Company	14,587,268	14,587,268	14,587,268	14,587,268	14,587,268	18,087,268
Outlay on the South Indian Railway by the Company	1,513,816	1,513,816	1,513,816	2,263,816	3,809,016	3,809,016
Outlay on the Bombay, Baroda and Central India Railway by the Company	959,364	972,697	1,007,364	1,071,397	1,079,697	1,113,030
Outlay on the Great Indian Peninsula Railway by the Company	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158	6,253,158
TOTAL	254,383,423	264,325,264	276,641,490	288,505,864	288,189,590	296,190,890
Miles open on April 1	24,873	25,200	25,437	26,464	26,106	26,379

* The figures against this line include contribution by the Jaipur Durbar towards Capital outlay on the Nagda Muttra Railway, as follows:—

£	£	£	£	£	£
66,667	66,667	266,667	333,334	333,334	400,000

152. The Gross Receipts and Working Expenses of State Railways include the following figures on account of the Jorhat State Railway in Assam, which is the only line whose transactions are recorded in the Provincial section of the accounts:—

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	udget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
	R	R	R	R	R	R
Gross Receipts . . .	1,16,465	1,22,589	1,23,805	1,15,000	1,15,000	1,20,000
Working Expenses . . .	84,107	84,546	89,499	91,000	1,07,000	96,000

Revised, 1914-15.
Gross Receipts.

153. The Budget estimate of Gross Receipts for 1914-15 was placed at R56·60 crores, a moderate increase over the receipts of the previous year, which in the Revised estimate had been placed at R55·70 crores, being expected to accrue from normal development of traffic and increased open mileage. Up to the time war was declared, this anticipation seemed likely to be realised, the returns of traffic receipts for the first four months having shown an improvement of 39 lakhs over the corresponding period of the year before. In August however there was a sharp fall of receipts, and though there has since been some little recovery the monthly earnings of railways have continued to be well below the level of the previous year. It is now estimated that the receipts of the year will not exceed R53·46 crores. Almost all railways share in the falling off of R3·14 crores compared with the Budget estimate, but much the greater part of it occurs on the Great Indian Peninsula, the Eastern Bengal and the North Western, which between them contribute R2·40 crores, the loss being attributable mainly to the restricted exports of cotton, jute and wheat. The result would have been worse but for improved coaching receipts obtained from the transport of troops.

Working Expenses.

154. The Revised estimate of Working Expenses shows a small reduction of R10·80 lakhs compared with the Budget estimate which is due for the most part to savings in running expenses consequent on the smaller volume of traffic worked.

Surplus Profits.

155. The increase of R6·60 lakhs in the provision for payment of Surplus profits, etc., to Companies is due to the net receipts of the last quarter of 1913-14 having exceeded anticipations.

Budget, 1915-16.
Gross Receipts.

156. The Budget estimate of Gross Receipts for 1915-16 is taken at R53·01 crores or R45 lakhs lower than the Revised estimate of the current year. It is based on the assumption that the depression of trade and the disturbance of the economic life of the country caused by the war will continue in some measure throughout the ensuing year. On the other hand, allowance is made for some development which may be expected in spite of the war and for the earnings of new lines and extensions.

Working Expenses.

157. The grant for Working Expenses in 1915-16 exceeds the Revised estimate for the current year by R23·76 lakhs. The increase is due wholly to provision having been made for a larger programme of renewals of permanent way and rolling stock than that of the current year. Under ordinary Working Expenses the amount provided for next year is less than the Revised of the current year.

Surplus Profits.

158. Consequent on the large decline in the traffic carried in 1914-15, the Budget estimate for 1915-16 shows a decrease under Surplus profits of R29·63 lakhs compared with the Revised estimate of the current year, the payments on this account being based on the profits earned in the preceding year.

Interest charges, etc.

Revised, 1914-15.

159. The excess over the Budget estimate of 1914-15 under Interest and Capital redemption charges is due to the increase in the rate of interest charged on certain loan funds (*vide* paragraph 61).

In the details, the increase under Interest on Debt is to a large extent counterbalanced by decreases under Interest on Deposits and Advances to Railway Companies due to a change in the method of accounting for certain transactions relating to the Bengal-Nagpur Railway extensions.

Budget, 1915-16.

160. The increase in the total Interest charges in 1915-16 is a result of the continued growth in the capital outlay on railways.

Other Receipts.

161. The receipts shown under this head represent recoveries from the Travancore Durbar of its share of the loss on the Travancore Branch of the South Indian Railway; the Government share of the surplus profits of the Rohilkhand and Kumaon, Southern Punjab and Amritsar-Patti Railways, payable under the terms of their respective contracts; and dividends on certain shares of the Ahmedabad-Dholka Railway allotted to Government in re-payment of expenditure incurred by it on behalf of the railway. The improvement of R·69 lakhs (£4,600) on the Budget estimate of receipts in the current year and the increase of R2·97 lakhs (£19,800) provided in the Budget of 1915-16 is mainly due to the increase in the Government share of surplus profits of the Southern Punjab Railway Company.

Other Charges.

162. These consist of cost of land required by certain companies, the contracts with which provide for the free supply of all land wanted for the purposes of the railways undertaken by them and of miscellanous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each railway company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The details are:—

	Accounts, 1913-14.	1914-15.		1915-16.
		Budget.	Revised.	Budget.
Imperial.	R	R	R	R
1. Subsidized Companies—Land	7,88,791	29,00,000	17,00,000	30,00,000
2. Miscellaneous Expenditure	−6,87,945	11,82,000	7,91,000	8,04,000
Provincial.				
1. Subsidized Companies—Land	38,396	15,000	10,000	17,000
2. Miscellaneous Expenditure—Surveys	−465	...	...	...
TOTAL R	1,38,777	40,97,000	25,01,000	38,21,000
TOTAL £	9,252	273,100	166,800	254,700

Land.—A lapse of R12 lakhs is expected in the Imperial Budget grant for the current year, due to the postponement of several projects and to short outlay on the Sara-Serajganj, Phagwara-Rahon and Jullundur-Mukerian Railways. The principal allotments made in 1915-16 are for the Ahmedpur-Kutwa, Bankura-Damoodar, Dindigul-Palghat, Kalighat-Fulta, Sara-Serajganj, and Tinnevelly-Tiruchendur Railways.

Miscellaneous Expenditure.—The lapse of R3·91 lakhs in the Revised estimate for 1914-15 is due chiefly to survey operations being restricted in consequence of officers having been placed on military duty. The Budget for 1915-16 is made up as follows:—

	R
Allotment for Surveys	9,00,000
Charges for Railway Board and other establishments	15,28,000
Deduct—Recoveries from Railway Companies on account of cost of supervision	16,24,000
TOTAL	8,04,000

XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
MAJOR WORKS.	₹	₹	₹	₹	₹	₹
Revenue — Direct Receipts	3,57,22,988	3,91,12,179	4,14,89,485	3,99,25,000	4,12,53,000	4,15,38,000
Revenue — Land Revenue	2,02,71,977	2,30,73,667	2,52,65,614	2,43,21,000	2,54,58,000	2,61,43,000
Expenditure — Working Expenses	1,71,76,543	1,75,26,591	1,82,16,430	1,87,41,000	1,91,46,000	1,90,71,000
Expenditure — Interest	1,59,94,080	1,73,66,737	1,77,92,499	1,86,58,000	1,86,90,000	1,95,16,000
NET REVENUE IN INDIA . . ₹	2,28,24,342	2,72,92,518	3,07,46,170	2,68,47,000	2,88,75,000	2,90,94,000
Equivalent in Sterling £	1,521,623	1,819,501	2,049,744	1,789,800	1,925,000	1,939,600
Expenditure in England (mainly Interest) . £	116,595	124,731	118,693	120,900	120,600	122,200
NET REVENUE . £	1,405,028	1,694,770	1,931,051	1,668,900	1,804,400	1,817,400
CONSTRUCTION OF PROTECTIVE WORKS . £	...	...	83,689	33,500	66,800	...
MINOR WORKS.						
Receipts—Direct . .	37,05,809	39,82,403	39,42,289	41,44,000	38,88,000	42,48,000
Expenditure . .	1,26,91,097	1,27,36,211	1,39,15,998	1,50,56,000	1,54,84,000	1,43,42,000
NET EXPENDITURE IN INDIA . . . ₹	89,85,288	87,53,808	99,73,709	1,09,12,000	1,15,96,000	1,00,94,000
Equivalent in Sterling £	599,019	583,587	664,914	727,500	773,100	672,900
Expenditure in England £	840	1,894	1,156	...	300	...
NET EXPENDITURE £	599,859	585,481	666,070	727,500	773,400	672,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31 . . . ₹	53,59,97,753	56,32,80,455	59,16,14,071	61,75,56,000	61,74,95,000	64,12,38,000
Equivalent in Sterling £	35,733,184	37,552,030	39,440,938	41,170,400	41,166,300	42,749,200

163. Taking India as a whole, the net financial result of the working of Major Irrigation works in 1914-15 will be better than the Budget forecast by £135,500 (₹20·33 lakhs). There is an improvement of ₹13·28 lakhs in the Direct Receipts and of ₹11·37 lakhs in the share of Land Revenue. But ₹4·32 lakhs of it are required to meet an increase in expenditure, mainly under Working Expenses. A further rise of £13,000 (1·95 lakhs) in the net profit is expected in the ensuing year. An advance of ₹2·85 lakhs is anticipated in the Direct Receipts and of ₹6·85 lakhs in the share of Land Revenue; and there will be a small reduction of ₹·75 lakh in Working Expenses. But allowance has been made for a large growth of ₹8·50 lakhs in the interest charges, in consequence of the considerable outlay now being incurred on new projects in the Punjab and elsewhere, the benefits of which will not be realised for some time to come. The net result under Minor Irrigation works in 1914-15 is worse than the Budget estimate by £45,900 (₹6·88 lakhs) owing to a decline in revenue and an increase in expenditure; the estimate for next year provides for some rise in the receipts and for a large reduction in expenditure.

General Result.

Major Irrigation.

Minor Irrigation.

164. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 10 and 11 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. Central Provinces	58,508	93,231	1,39,771	1,34,000	1,07,000	1,04,000
2. Burma	9,15,430	10,03,399	12,43,922	11,20,000	11,94,000	12,00,000
3. United Provinces	3,13,702	2,43,041	4,44,386	2,20,000	2,56,000	4,79,000
4. North-West Frontier	7,19,905	8,21,632	8,51,212	8,50,000	8,43,000	9,30,000
Total	20,07,545	21,61,803	26,79,291	23,24,000	24,00,000	27,13,000
Divided and Provincial.						
1. Bengal	...	2,73,918	2,46,579	2,67,000	2,40,000	2,40,000
2. Bihar and Orissa	...	23,30,797	25,75,520	23,72,000	24,12,000	25,50,000
3. United Provinces	82,60,232	79,57,265	93,25,086	88,84,000	1,00,44,000	89,75,000
4. Punjab	2,13,07,959	2,47,46,266	2,46,57,424	2,42,03,000	2,42,05,000	2,52,01,000
5. Madras	2,53,100	2,74,097	2,65,374	2,65,000	3,05,000	2,62,000
6. Bombay	13,36,152	13,68,033	17,40,211	16,10,000	16,47,000	15,97,000
Bengal (old)	25,58,000	...	...	...	...	...
Total	3,37,15,443	3,69,50,376	3,88,10,194	3,76,01,000	3,88,53,000	3,88,25,000
TOTAL ₹	3,57,22,988	3,91,12,179	4,14,89,485	3,99,25,000	4,12,53,000	4,15,38,000
Equivalent in Sterling £	2,381,533	2,607,478	2,765,966	2,661,700	2,750,200	2,769,200

WORKING EXPENSES.

Imperial.						
1. India General (Reserve)	...	...	...	1,92,000	...	63,000
2. Central Provinces	34,938	81,023	75,429	78,000	78,000	78,000
3. Burma	3,62,822	4,47,428	4,45,896	5,62,000	9,00,000	6,02,000
4. United Provinces	3,73,614	3,90,411	4,64,160	4,49,000	4,21,000	4,57,000
5. North-West Frontier	3,21,398	3,10,719	3,03,887	3,00,000	3,69,000	6,00,000
Total	10,92,772	12,29,581	12,89,372	15,81,000	17,68,000	18,00,000
Divided and Provincial.						
1. Bengal	...	2,35,717	2,97,789	2,96,000	2,58,000	2,67,000
2. Bihar and Orissa	...	12,66,071	13,01,899	14,62,000	14,12,000	14,20,000
3. United Provinces	31,11,394	28,97,451	29,60,062	30,21,000	30,17,000	29,88,000
4. Punjab	79,35,356	82,21,807	83,21,486	86,01,000	86,01,000	89,42,000
5. Madras	22,23,700	20,50,980	23,77,656	22,36,000	25,25,000	21,10,000
6. Bombay	14,11,254	16,24,984	16,68,166	15,44,000	15,65,000	15,44,000
Bengal (old)	14,02,067	...	...	...	...	...
Total	1,60,83,771	1,62,97,010	1,69,27,058	1,71,60,000	1,73,78,000	1,72,71,000
TOTAL INDIA ₹	1,71,76,543	1,75,26,591	1,82,16,430	1,87,41,000	1,91,46,000	1,90,71,000
Equivalent in Sterling £	1,145,103	1,168,439	1,214,429	1,249,400	1,276,400	1,271,400
England £	...	1	14	...	...	...
Total	1,145,103	1,168,440	1,214,443	1,249,400	1,276,400	1,271,400

Direct Receipts.

(*a*) *Imperial.*

165. The total Revised estimate for 1914-15 exceeds the Budget by ₹·76 lakh mainly owing to improved receipts from the Mandalay and Shwebo canals in Burma. The total Budget estimate for 1915-16 provides for a rise of ₹3·13 lakhs over the Revised for the current year, chiefly in consequence of the expected opening of the Upper Swat River canal and the development of the Imperial canals in the United Provinces.

Revised, 1914-15.

Budget, 1915-16.

(*b*) *Divided and wholly Provincial.*

166. The total Revised estimate for 1914-15 exceeds the Budget by ₹12·52 lakhs. The bulk of the improvement is expected in the United Provinces, and is due to the irrigation of larger areas for the *rabi* and *kharif* crops, consequent on a deficient rainfall. The total Budget for 1915-16 does not differ materially from the Revised estimate for the current year. It is based generally on the demand for *rabi* irrigation in the current year and on normal requirements in connection with next year's *kharif*.

Revised, 1914-15.

Budget, 1915-16.

Working Expenses.

(*a*) *Imperial.*

167. The total expenditure in 1914-15 is likely to exceed the Budget provision by ₹1·87 lakhs. An increase of ₹3·38 lakhs is expected in Burma, due to higher outlay on the head works of the Mandalay canal and the reconstruction of a drainage crossing on the South Mon canal; and of ₹·69 lakh in the North-West Frontier Province mainly under Establishment charges, owing to the formation of a new sub-division on the Lower Swat river canal. But a portion of this increase will be met from the reserve of ₹1·92 lakhs for unforeseen requirements and from a small lapse in the grant for the United Provinces. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by ₹·32 lakh. Provision has been made in the North-West Frontier Province for the maintenance charges of the Upper Swat river canal, which is likely to be opened in the ensuing year; for normal outlay in the other provinces; and for a reserve of ₹·63 lakh for unforeseen expenditure.

Revised, 1914-15.

Budget, 1915-16.

(*b*) *Divided and wholly Provincial.*

168. The total expenditure in 1914-15 is likely to exceed the Budget grant by ₹2·18 lakhs. The increase is due to higher outlay in Madras, chiefly on maintenance and repairs of the Kistna and Cauvery Delta systems, necessitated by flood damages and other causes. The Budget estimate for 1915-16 provides generally for a normal scale of expenditure and for outlay on certain improvements urgently required on the Western Jumna and Sirhind canals in the Punjab. The total Budget is less than the Revised estimate for 1914-15 by ₹1·07 lakhs.

Revised, 1914-15.

Budget, 1915-16.

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
India . . ₹	...	...	12,55,344	5,02,000	10,02,000	...
Equivalent in sterling £	...	...	83,689	33,500	66,800	....

169. The figures have already been explained in paragraphs 150 and 151.

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General .	18,852	18,382	21,643	20,000	15,000	17,000
2. Delhi . . .	...	565	1,367	1,000	1,000	1,000
3. Baluchistan . .	46,405	67,211	66,734	86,000	64,000	80,000
4. Punjab . .	7,42,905	7,98,438	9,02,661	8,41,000	7,50,000	9,50,000
Total .	8,08,162	8,84,596	9,92,405	9,48,000	8,30,000	10,48,000
Divided and Provincial.						
1. Central Provinces .	31,045	47,423	56,221	62,000	43,000	70,000
2. Burma . . .	12,75,025	14,41,267	13,68,741	16,04,000	15,14,000	15,76,000
3. Bengal (new) .	...	6,90,060	6,13,882	6,60,000	5,75,000	6,20,000
4. Bihar and Orissa .	...	75,522	72,167	73,000	73,000	73,000
5. United Provinces .	1,50,841	1,79,913	1,32,109	1,44,000	1,80,000	1,64,000
6. Punjab . . .	56,369	66,869	76,040	74,000	70,000	89,000
7. Madras . . .	2,16,985	2,31,552	2,52,323	2,31,000	2,25,000	2,39,000
8. Bombay . .	3,65,336	3,65,201	3,78,401	3,48,000	3,78,000	3,69,000
Eastern Bengal and Assam . .	48	...	...	...	...	...
Bengal (old) . .	8,01,498	...	...	...	...	...
Total .	28,97,647	30,97,807	29,49,884	31,96,000	30,58,000	32,00,000
TOTAL . ₹	37,05,809	39,82,403	39,42,289	41,44,000	38,88,000	42,48,000
Equivalent in Sterling £	247,054	265,494	262,819	276,200	259,200	283,200

Expenditure.

Imperial.						
1. India General .	78,641	1,02,541	59,962	7,14,000	61,000	6,07,000
2. Delhi . . .	...	1,434	898	3,000	3,000	3,000
3. Baluchistan . .	3,04,208	3,63,780	3,84,187	2,28,000	3,06,000	1,36,000
4. Punjab . . .	10,09,200	9,17,328	9,39,520	9,00,000	11,00,000	8,93,000
5. North-West Frontier	39,090	37,870	52,654	63,000	59,000	63,000
Total .	14,31,139	14,22,953	14,37,221	19,08,000	15,29,000	17,02,000
Divided and Provincial.						
1. Central Provinces .	5,35,221	4,64,743	5,73,720	9,67,000	9,04,000	6,00,000
2. Burma . . .	14,26,708	12,85,756	10,95,549	14,50,000	12,50,000	12,10,000
3. Assam . . .	...	66,634	1,15,211	1,79,000	1,32,000	64,000
4. Bengal (new) . .	...	15,38,237	19,26,421	22,46,000	27,96,000	22,94,000
5. Bihar and Orissa .	...	4,01,830	4,89,670	4,93,000	4,43,000	4,70,000
6. United Provinces .	4,22,432	3,78,882	4,45,070	2,75,000	4,71,000	2,86,000
7. Punjab . . .	1,07,297	3,98,397	2,82,970	96,000	2,18,000	1,52,000
8. Madras . . .	35,70,377	36,34,683	40,22,399	41,22,000	44,50,000	42,00,000
9. Bombay . .	31,73,167	31,44,096	35,27,767	33,20,000	32,91,000	33,64,000
Eastern Bengal and Assam . .	1,29,956	...	...	...	...	...
Bengal (old) . .	18,94,800	...	...	...	...	...
Total .	1,12,59,958	1,13,13,258	1,24,78,777	1,31,48,000	1,39,55,000	1,26,40,000
TOTAL INDIA ₹	1,26,91,097	1,27,36,211	1,39,15,998	1,50,56,000	1,54,84,000	1,43,42,000
Equivalent in Sterling £	846,073	849,081	927,733	1,003,700	1,032,300	956,100
England . . £	840	1,894	1,156	...	300	...
GRAND TOTAL £	846,913	850,975	928,889	1,003,700	1,032,600	956,100

REVENUE.

(a) *Imperial.*

Revised, 1914-15. 170. The decline of ₹1·18 lakhs in the revenue in the current year as compared with the Budget estimate is chiefly due to a smaller demand for water from the Imperial canals in the Punjab. The Budget estimate for *Budget, 1915-16.* 1915-16 is based on a normal demand for irrigation.

(b) *Divided and Provincial.*

Revised, 1914-15. 171. The total Revised estimate for 1914-15 is less than the Budget by ₹1·38 lakhs. The decrease is mainly due to a fall in revenue from canals in certain districts in Burma, and in the navigation canals in eastern Bengal *Budget, 1915-16.* consequent on a reduction in the jute traffic. The Budget estimate for 1915-16 provides for normal collections in all the provinces.

EXPENDITURE.

(a) *Imperial—India and England.*

Revised, 1914-15. 172. The Budget estimate of the current year included the usual grant of ₹5 lakhs in aid of special expenditure entailed by the recommendations of the Irrigation Commission, and a reserve of ₹·73 lakh for unforeseen requirements. From these special provisions, ₹1·53 lakhs have been assigned to the United Provinces to meet Provincial outlay on tank restoration works; ₹2 lakhs will be required for special repairs on the Imperial inundation canals in the Punjab necessitated by heavy rainfall; and ₹·69 lakh will be spent on the Khusdil Khan reservoir and Surkhab river projects in Baluchistan. The balance of the special allotments will lapse. These causes account for the decrease of ₹3·74 lakhs in the Revised estimate for 1914-15, as compared with the Budget.

Budget, 1915-16. 173. The total Budget estimate for 1915-16 exceeds the Revised for the current year by ₹1·68 lakhs. Provision has been made for the special grant of ₹5 lakhs. But a reduction is anticipated in the expenditure on the Imperial inundation canals in the Punjab, owing to the absence of the special repairs undertaken in the current year; and in Baluchistan no allotments have yet been made for the projects which are financed from the special grant mentioned above.

(b) *Divided and Provincial.*

Revised, 1914-15. 174. The total Revised estimate for 1914-15 exceeds the Budget grant by ₹8·07 lakhs. There is an increase of ₹5·50 lakhs in Bengal, owing to the purchase of a dredger for the maintenance of waterways; of ₹3·28 lakhs in Madras, due to special repairs necessitated by flood damages; of ₹1·96 lakhs in the United Provinces, caused mainly by expenditure on tank restoration works financed by special assignments from Imperial revenues (see paragraph 172); and of ₹1·22 lakhs in the Punjab, in consequence of outlay on certain necessary projects for which no provision was made in the Budget. But these excesses will be partially counterbalanced by lapses in grants in Burma and in the remaining provinces.

Budget, 1915-16. 175. The total Budget estimate for 1915-16 is taken at ₹13·15 lakhs less than the Revised estimate of the current year. The decrease is partly due to the absence of the special expenditure incurred in the current year and referred to in the preceding paragraph. Provision has generally been made for sanctioned establishments and for a normal scale of expenditure. But in Burma, some curtailment of grants has been necessary owing to the position of the Provincial finances.

44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
					Budget.	Revised.	
Provincial.							
Assam . .	R	12,53	63,984	21,213	29,000	24,000	20,000
	£	836	4,266	1,414	1,900	1,600	1,300

176. The charges represent capital outlay in connection with the Jorhat Railway and are unimportant in character.

XXXI and 45.—CIVIL WORKS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	34,19,254	71,05,987	28,97,403	38,99,000	31,16,000	35,73,000
2. Delhi	...	8,16,633	19,16,010	17,03,000	14,82,000	13,36,000
3. Baluchistan	8,60,351	9,61,402	11,62,343	10,05,000	11,01,000	10,11,000
4. North-West Frontier	23,35,928	26,25,826	34,62,786	34,23,000	33,12,000	25,86,000
5. Other Provinces	46,21,372	39,89,659	49,25,688	53,57,000	55,06,000	50,01,000
Total	1,12,37,405	1,54,99,507	1,43,64,230	1,53,87,000	1,45,17,000	1,35,07,000
Provincial.						
1. Central Provinces	56,36,262	67,66,686	68,83,785	75,76,000	80,09,000	67,53,000
2. Burma	1,01,61,370	82,57,096	1,01,11,603	1,47,38,000	1,08,75,000	1,02,63,000
3. Assam	...	43,16,217	66,17,426	49,23,000	54,16,000	42,50,000
4. Bengal (new)	...	90,02,139	1,02,18,648	1,10,36,000	1,17,79,000	86,97,000
5. Bihar and Orissa	...	59,81,947	83,23,760	1,02,88,000	95,82,000	90,98,000
6. United Provinces	71,21,797	73,84,393	90,03,926	75,78,000	71,50,000	75,68,000
7. Punjab	62,75,248	68,75,537	96,94,507	1,11,88,000	92,98,000	77,22,000
8. Madras	1,10,12,637	1,56,63,903	1,64,89,730	1,80,02,000	1,66,43,000	1,09,73,000
9. Bombay	1,35,42,061	97,85,149	1,19,03,975	98,69,000	1,05,69,000	80,57,000
Eastern Bengal and Assam	67,18,032	...	...	...	...	...
Bengal (old)	88,21,485	...	...	...	...	...
Total	6,92,88,892	7,40,33,067	8,92,47,360	9,51,98,000	8,93,21,000	7,33,81,000
TOTAL INDIA .₹	8,05,26,297	8,95,32,574	10,36,11,590	11,05,85,000	10,38,38,000	8,68,88,000
Equivalent in Sterling £	5,368,419	5,968,838	6,907,440	7,372,400	6,922,600	5,792,600
England .£	84,793	90,665	101,184	82,200	86,400	21,200
TOTAL .£	5,453,212	6,059,503	7,008,624	7,454,600	7,009,000	5,813,800

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915. Budget.	1914-1915. Revised.	Budget, 1915-1916.
Imperial.						
1. India General	6,38,618	1,13,050	83,228	66,000	72,000	72,000
2. Delhi	...	4,649	1,42,894	48,000	1,54,000	1,48,000
3. Baluchistan	44,388	41,443	43,914	40,000	45,000	44,000
4. North-West Frontier	1,37,210	2,90,186	1,48,739	1,42,000	1,56,000	1,51,000
5. Other Provinces	2,33,632	2,45,548	2,70,028	2,44,000	2,48,000	2,18,000
Total	10,53,848	6,94,876	6,88,803	5,40,000	6,75,000	6,33,000
Provincial.						
1. Central Provinces	5,64,490	13,15,898	2,41,530	2,34,000	2,52,000	2,52,000
2. Burma	2,96,425	3,31,317	3,45,615	3,31,000	3,34,000	3,35,000
3. Assam	...	1,40,764	1,50,703	1,54,000	1,60,000	1,62,000
4. Bengal (new)	...	5,27,559	6,00,292	5,29,000	6,34,000	5,82,000
5. Bihar and Orissa	...	2,88,251	3,54,127	3,15,000	3,68,000	3,74,000
6. United Provinces	4,27,046	4,49,720	5,38,595	4,24,000	4,54,000	4,25,000
7. Punjab	6,20,941	5,10,712	5,21,946	5,04,000	4,03,000	3,96,000
8. Madras	2,71,824	3,05,312	3,32,418	3,21,000	4,02,000	3,87,000
9. Bombay	7,04,497	7,67,301	7,05,577	2,39,000	3,15,000	2,95,000
Eastern Bengal and Assam	3,46,260	...	...	...	...	...
Bengal (old)	6,18,536	...	...	...	...	...
Total	38,50,019	46,36,834	37,90,803	30,51,000	33,22,000	32,08,000
TOTAL INDIA .₹	49,03,867	53,31,710	44,79,606	35,91,000	39,97,000	38,41,000
Equivalent in Sterling £	326,924	355,447	298,640	239,400	266,400	256,100

177. The Imperial revenue and expenditure shown against "Other Provinces" represent the transactions in connection with the buildings of the various departments, *e.g.*, Salt, Customs, etc., the receipts and charges of which are wholly Imperial.

EXPENDITURE.

(*a*) *Imperial,—India and England.*

178. The total expenditure in 1914-15 is expected to fall short of the Budget estimate by ₹8·07 lakhs. The decrease is mainly due to a partial utilisation of the reserve for unforeseen expenditure, and to lapses in the allotments for the new Custom House and for the extension of the Currency Office and of the Mint at Bombay; for the new Post Office at Allahabad; and for a new police building and for improvements to roads in Delhi. *Revised, 1914-15.*

179. In 1915-16 the total Imperial grant has been fixed at ₹100 lakhs, exclusive of ₹5·05 lakhs allotted for expenditure incurred in the Civil Department, mostly in the several minor administrations, and of sums aggregating ₹33·20 lakhs to be spent by the administrations of the North-West Frontier Province (25 lakhs) and Baluchistan (8·20 lakhs). A large curtailment of grants has been made everywhere in view of the financial position. *Budget, 1915-16.*

180. The purposes to which the grant of ₹100 lakhs mentioned in the preceding paragraph will be applied are shown below :—

	In lakhs of rupees.	
(*a*) Ordinary grant—	₹	₹
(1) Establishment and miscellaneous charges	15·32	
(2) Repairs	20·96	
(3) Works in progress	25·65	
(4) New works—		
(*a*) costing up to ₹5,000	8·78	
(*b*) costing more than ₹5,000	9·78	
(5) Payments in England for stores, furlough allowances, etc.	3·18	
(6) Reserve for Archæological expenditure	1·28	
(7) Reserve for other unforeseen expenditure	3·75	
		88·70
(*b*) Delhi Province—		
(1) Works in progress	·97	
(2) New works—		
(*a*) costing up to ₹5,000	·91	
(*b*) costing more than ₹5,000	2·31	
(3) Repairs	5·51	
(4) Establishment and Tools and Plant	1·41	
(5) Archæological expenditure	·19	
		11·30
		100·00

181. The following is a list of the new works and works in progress on which it is probable that allotments of ₹1 lakh or more will be made from the ordinary grant in the ensuing year :—

Province.	Name of work.	Amount of grant.
		₹
Bihar and Orissa .	Post and Telegraph office buildings in the new Capital with quarters for Postmaster and Signallers .	1,50,000
Bombay . .	New Custom House at Karachi	1,58,000
,, . .	,, at Bombay	4,00,000
,, . .	Extension of the Currency Office at Bombay . .	1,25,000
,, . .	Quarters for the Preventive officers, Customs Department, at Bombay (Matunga)	1,15,000
Delhi .	New Kotwali at Delhi	1,47,000
Burma . .	New Custom House at Rangoon	1,45,000
,, . .	New Telegraph Office at Rangoon	2,70,000
Madras . .	Acquisition of premises for the Currency Office at Madras	1,50,000
Central Provinces .	New Postal building, Nagpur	1,00,000

(*b*) *India—Provincial.*

Revised, 1914-15.

182. The total Revised estimate for 1914-15 is less than the Budget by ₹58·77 lakhs. The Budget provided for an outlay of about ₹80½ lakhs on Civil Works from the special Imperial assignments made in recent years for education, sanitation etc. The total outlay of this class in the current year is now estimated at about ₹89 lakhs; and eliminating this special expenditure as well as the corresponding Budget provision, the Revised estimate under Civil Works falls short of the Budget by about ₹67 lakhs. The real saving is larger, for a portion of the expenditure against some of the ordinary grants provided in the Budget under Education, Medical and other heads is recorded in the accounts under Civil Works. Considerable lapses in the grants provided under the latter head, otherwise than from the special appropriations from Imperial revenues referred to above, are expected in Bengal (₹11 lakhs), Bihar and Orissa (₹17 lakhs), Burma (₹14 lakhs), the United Povinces (₹7 lakhs), and the Punjab (₹6 lakhs), owing mainly to a curtailment of the programme of construction contemplated in the Budget which has become necessary in consequence of the financial situation. In Bombay alone, the expenditure is expected to exceed the Budget grant owing mainly to the purchase of land from the Bombay City Improvement Trust for the Parel Laboratory.

Budget, 1915-16.

183. The table below compares the details of the grants for 1915-16 in the various provinces, so far as settled at present, with the probable expenditure in the current year.

Revised, 1914-15.

[Lakhs of Rupees.]

Provinces.	Grants to		Outlay in the Public Works Department on			Other items.	Total.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.		
1. Central Provinces . . .	5·87	...	43·88	17·82	10·50	2·02	80·09
2. Burma	6·00	...	48·55	34·00	18·60	1·60	108·75
3. Assam	10·86	...	23·02	12·03	7·11	1·14	54·16
4. Bengal	13·66	11·55	54·86	22·95	12·40	2·37	117·79
5. Bihar and Orissa . . .	11·94	...	58·40	8·94	9·25	7·29	95·82
6. United Provinces . . .	4·84	...	28·65	24·87	11·06	2·08	71·50
7. Punjab	19·91	...	45·41	17·00	8·50	2·16	92·98
8. Madras	70·96	6·96	61·82	8·92	14·12	3·65	166·43
9. Bombay	8·27	...	58·18	21·08	15·08	3·08	105.69
Total .	152·31	18·51	422·77	167·61	106·62	25·39	893·21

BUDGET, 1915-16.

[Lakhs of Rupees.]

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	TOTAL.
	Local Boards and Municipalities.	Other local bodies.	Original Works.	Repairs.	Establishment charges.		
1. Central Provinces . . .	2·02	...	31·26	21·74	10·50	2·01	67·53
2. Burma	12·00	...	31·22	33·00	20·00	6·41	102·63
3. Assam	4·41	...	14·78	14·24	7·48	1·59	42·50
4. Bengal	10·16	11·55	28·88	22·00	13·50	·88	86·97
5. Bihar and Orissa . . .	8·63	...	60·51	8·25	9·00	4·59	90·98
6. United Provinces . . .	4·58	...	31·94	24·38	12·08	2·75	75·68
7. Punjab	13·14	...	35·08	17·50	8·78	2·72	77·22
8. Madras	30·93	3·01	50·55	8·44	15·05	1·75	109·73
9. Bombay	8·27	...	28·25	21·93	15·00	7·12	80·57
TOTAL .	94·09	14·56	312·47	171·48	111·39	29·82	733·81

Budget, 1915-16.

184. The total Budget estimate for 1915-16 is less than the Revised estimate for the current year by ₹159·40 lakhs. The large decrease reflects the policy of retrenchment which has been dictated by the financial position brought about by the war. Heavy reductions have been made in the provision for grants to local bodies and for original works, in view of the decline in the Provincial revenues and the need for restricting the drafts on Provincial balances. Allotments aggregating ₹30½ lakhs only have been made for outlay on Civil Works from the special Imperial assignments made in recent years, against a corresponding outlay of ₹89 lakhs included in the Revised estimate of the current year.

185. The total provision for grants to local boards and municipalities in 1915-16 is ₹58·22 lakhs less than the similar expenditure in 1914-15. The bulk of the decrease occurs in Madras (₹40·03 lakhs) and is due to a reduction in the special non-recurring grants given to local bodies for minor sanitary works, the construction of roads and bridges and various other purposes. A reduced provision for similar non-recurring grants has been made in most other provinces also.

186. The figures shown under "Grants to other local bodies" consist mainly of contributions to the Calcutta Improvement Trust (₹11·50 lakhs), and to the Madras Corporation (₹3 lakhs) for water-supply and drainage works. The first of these contributions represents grants from Imperial revenues passed through the Provincial account. It includes the final instalment of the non-recurring payment of ₹50 lakhs.

187. The total provision for Original Works in 1915-16 is less than the probable expenditure in the current year by over a crore of rupees. The grants have been restricted in all the provinces to urgent requirements. Provision has been made in Bihar and Orissa for progress of work in connection with the Bankipore buildings and the Lunatic Asylum at Ranchi.

188. The Budget grants for Repairs and for Establishment charges are generally based on normal requirements, and in the latter case on the assumption that the orders restricting the grant of leave out of India will continue to be in operation throughout the ensuing year The increase under "Other Items" as compared with the Revised estimate for the current year is mainly due to the provision of the usual reserve in Bombay and Burma.

REVENUE.

(*a*) *Imperial.*

Revised, 1914-15. 189. The total Revised estimate for 1914-15 exceeds the Budget by R1·35 lakhs, mainly in consequence of higher receipts in Delhi from the rent of buildings occupied by Government officials and the supply of electric energy.

Budget, 1915-16. The total Budget estimate for 1915-16 does not differ materially from the Revised for the current year.

(*b*) *Provincial.*

Revised, 1914-15. 190. The total Revised estimate for 1914-15 shows a rise of R2·71 lakhs over the Budget estimate. Increased receipts are expected in all the provinces from the rent and sale of Government buildings and from other sources The decrease of R1·01 lakhs shown against the Punjab in the table on page 98 is due to the remission of certain contributions hitherto recovered from local bodies, budget provision for which was made under "32—Miscellaneous" (see paragraph 139).

Budget, 1915-16. The Budget estimate for 1915-16 provides generally for normal receipts in all the provinces.

XXXII and 46.—ARMY.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		1915-1916. Budget.
					Budget.	Revised.	
EXPENDITURE.		R	R	R	R	R	R
INDIA—							
Effective Services—							
Administration		69,23,994	69,75,270	71,56,430	69,92,860	63,44,000	53,56,960
Military Accounts		29,15,540	29,15,887	30,13,241	29,50,320	28,09,000	24,94,870
Regimental Pay, etc.		12,45,65,223	12,20,93,251	12,23,80,051	12,49,98,430	10,86,00,000	8,25,51,710
Supply and Transport		3,01,50,763	3,36,92,689	3,42,78,307	3,49,60,900	3,14,38,000	2,60,24,920
Veterinary		4,93,567	5,00,023	5,02,617	5,03,920	4,07,000	3,28,900
Clothing		12,58,800	15,68,321	19,26,690	19,93,870	34,72,000	27,34,290
Remounts		47,13,862	49,28,434	46,52,456	54,71,930	54,53,000	43,74,970
Medical Services		57,83,758	56,96,320	57,50,474	60,26,400	53,19,000	42,55,040
Medical Stores		5,65,779	5,06,157	5,51,826	5,06,570	5,21,000	5,35,610
Ordnance		88,17,906	98,54,097	95,87,161	1,06,75,350	1,06,43,000	80,28,340
Ecclesiastical		4,17,979	4,30,154	4,27,183	4,37,490	4,43,000	4,12,460
Education		12,52,272	12,41,097	13,47,675	14,57,350	10,40,000	5,97,350
Compensation for Food, etc.		48,96,685	57,56,698	62,81,040	63,95,000	57,10,000	43,37,000
Miscellaneous Services		89,22,432	31,25,192	28,42,035	21,09,280	3,11,29,000	7,37,71,660
Hutting		3,04,955	6,98,816	2,10,975	2,00,000	2,00,000	2,00,000
Conveyance by Road, River, and Sea		8,74,856	15,95,814	8,47,034	9,00,950	7,99,000	7,51,600
Conveyance by Rail		43,35,239	38,62,887	42,48,200	46,01,570	43,45,000	37,74,770
Cantonments		13,63,144	14,75,915	24,27,498	13,63,810	16,09,000	13,87,550
Unadjusted Expenditure		—1,52,782	—6,79,193	1,29,023	...	...	...
TOTAL	R	20,84,03,972	20,62,37,829	20,85,59,916	21,25,46,000	22,02,81,000	22,19,18,000
Non-effective Services—	R	1,04,85,675	1,07,43,291	1,09,57,429	1,10,03,000	1,10,41,000	1,55,87,000
TOTAL INDIA	R	21,88,89,647	21,69,81,120	21,95,17,345	22,35,49,000	23,13,22,000	23,75,05,000
Equivalent in sterling	£	14,592,643	14,465,408	14,634,490	14,903,200	15,421,400	15,833,600
ENGLAND—		£	£	£	£	£	£
Effective Services—							
Payments to War Office for British Forces		914,000	941,643	917,287	920,000	930,700	930,700
Furlough Allowances, etc., of British Forces		135,990	141,456	145,302	139,000	81,000	4,000
Consolidated Clothing Allowances of British Soldiers		48,460	455	412	16,000	20,800	20,400
Furlough Allowances, Indian Service		363,216	355,676	361,405	365,000	265,000	132,000
Indian Troop Service		273,947	266,421	298,777	322,000	88,800	4,000
Other Heads		61,824	107,854	115,919	108,100	144,300	75,600
Clothing Stores		58,676	52,712	92,665	60,000	123,000	98,300
Ordnance and Miscellaneous Stores		340,189	506,097	500,328	693,000	510,200	403,000
Medical Stores		104,612	95,980	94,406	99,900	98,000	90,400
Supply and Transport Stores		} 51,005	52,879	{ 44,122	57,500	70,500	116,700
Military Farms Stores				{ 11,294	11,000	10,800	13,800
Operations in Persian Gulf (Stores)		50,620	43,848	39,373	50,000	18,600	...
Stores taken to India with Troops		36,825	24,409	17,586	29,100	19,100	18,200
TOTAL	£	2,439,364	2,589,430	2,638,876	2,870,600	2,380,800	1,907,100
Non-effective Services—							
Payments to War Office for British Forces		898,331	919,183	927,029	945,000	946,000	650,000
Pensions, Indian Service		1,431,735	1,425,242	1,407,596	1,405,000	1,375,000	1,365,000
Other Heads		174,473	177,263	181,248	182,000	203,000	218,000
TOTAL	£	2,504,539	2,521,688	2,515,873	2,532,000	2,524,000	2,233,000
TOTAL ENGLAND	£	4,943,903	5,111,118	5,154,749	5,402,600	4,904,800	4,140,100
TOTAL EXPENDITURE	£	19,536,546	19,576,526	19,789,239	20,305,800	20,326,200	19,973,700
RECEIPTS.		R	R	R	R	R	R
India	R	1,04,91,423	1,33,60,617	1,27,84,798	1,26,11,000	1,19,46,000	1,11,96,000
		£	£	£	£	£	£
Equivalent in sterling	£	699,428	890,708	852,320	840,700	796,400	746,400
England	£	479,988	337,095	351,186	351,600	355,100	328,700
TOTAL RECEIPTS	£	1,179,366	1,227,803	1,203,506	1,192,300	1,151,500	1,075,100
TOTAL NET EXPENDITURE	£	18,357,180	18,348,723	18,585,733	19,113,500	19,174,700	18,898,600

Revised, 1915-16, compared with Budget, 1914-15. Expenditure—India.

191. The anticipated Army expenditure in India for the current year is estimated at R23,13·22 lakhs (£15,421,400) or R77·73 lakhs (£518,200) more than the Budget estimate. Foremost among the causes which have contributed to this increase may be mentioned an additional outlay of R27·00 lakhs (£180,000) owing to the recall of officers from furlough and suspension of leave consequent on the war, but against this there is a decrease at Home in furlough allowances of R23·70 lakhs (£158,000). In connection with the war, it has been necessary to incur expenditure on the internal defence of the country and other necessary measures amounting to R37·62 lakhs (£250,800). Food prices were higher throughout the year and the Budget provision on this account is likely to be exceeded to the extent of R8 lakhs (£53,300). A large number of Indian Medical Service and Royal Engineer officers have been withdrawn from Civil employ for military duty, and their ordinary pay charges, amounting to R9·62 lakhs (£64,100), must now be charged to the Army grant. On the other hand, a saving of R10·5 lakhs (£70,000) has accrued by the delay in the return of certain Indian troops to India from the Colonies and the consequent lapse in the Budget provision on their account.

Amongst other variations may be mentioned a charge of R3 lakhs (£20,000) for bounties paid to British soldiers for extension of service, previous to the outbreak of war. The War Office will also contribute a similar sum, the total payments amounting to R6 lakhs (£40,000). Owing to the suspension of the Arms Traffic operations in the Persian Gulf, a saving of R5·53 lakhs (£36,900) has been secured, which has more than covered the extra expenditure amounting to R4 lakhs (£26,700) in connection with the recent disturbances on the North-West Frontier. Some further land has been acquired in connection with the new Cantonment at Delhi at a cost of R1·90 lakhs (£12,700). A large increase of the strength of Volunteer Corps has caused an extra expenditure of R1·50 lakhs (£10,000). Owing to the war, several schools of instruction, *e.g.*, the Staff College, Cavalry School and Flying School, have been temporarily closed; the ordinary inland relief of troops has been curtailed; and charges in India in connection with the Indian troop service have been lower. These three causes account for a decrease of R6·46 lakhs (£43,100).

Home.

192. The gross expenditure under the Army head at Home is expected to fall below the current year's Budget provision of £5,402,600 by £497,800. Owing to the war, it has not been possible to comply fully with the original store demands, and a lapse of £108,900 is anticipated from this cause. The recall of officers from leave has reduced the payments of furlough allowances by £158,000, while the suspension of the Indian troop service, for which a Budget provision of £322,000 was made, results in a decrease of £233,200. The expenditure at Home in connection with the Arms Traffic operations in the Persian Gulf is £28,400 less.

Receipts—India and Home.

193. The total receipts during the current year are somewhat lower than the anticipations of March last. In India there is a decrease of R6·65 lakhs (£44,300) and at Home an increase of £3,500; the former is largely due to the bulk of the present British garrison and units in the field being supplied with clothing in kind instead of obtaining it, as usual, on payment out of clothing allowances received.

Net Expenditure.

194. In the net, therefore, the expenditure during the current year—Home and India—under the head "Army" is expected to exceed the Budget provision of R28,67·03 lakhs (£19,113,500) by R9·18 lakhs (£61,200).

Special Expenditure.

195. The Special or Schedule provision was R95·24 lakhs (£634,900), of which R63·42 lakhs (£422,800) represented expenditure at Home. War conditions have interfered with the supply of stores from Home, and a lapse of R30·55 lakhs (£203,700) is expected. The Indian expenditure is larger than the estimate by R3·18 lakhs (£21,200), in consequence of its having been found necessary to accelerate the augmentation of the Army Bearer Corps and to form an additional Divisional Signalling Company; also to acquire further land for the new cantonment at Delhi, to improve the conditions of service of the Military Assistant Surgeon class, and to meet a moiety.

of the cost of bounties given early in the financial year to British soldiers to prolong their service in India. The net result is a lapse of R27·37 lakhs (£182,500).

196. For the coming year, the grant for Army expenditure in India amounts to R23,75·05 lakhs (£15,833,600), or R61·83 lakhs (£412,200) more than the Revised estimate of the current year. Broadly stated, this is due to an increased provision of R35 lakhs (£233,300) consequent on the suspension of leave owing to the war, and to the provision of a sum of R45 lakhs (£300,000) to meet the possible wound and family pension charges of Indian combatants and non-combatants. The last mentioned provision is counterbalanced by a corresponding reduction of the 'Home non-effective payments to the War Office, so that the latter is in reality bearing the charge. The following are other important causes of variation. The outlay on account of military measures necessary for the internal safety of India, and the charge against the Army estimates for the pay of Indian Medical Service and Royal Engineer officers transferred from other Departments for employment on military duty, are likely to exceed the corresponding expenditure in the current year by R13·88 lakhs (£92,500) and R14·68 lakhs (£97,900), respectively. A rise of R7·6 lakhs (£50,700) is expected in respect of food charges. An increase of R5·57 lakhs (£37,100) is due to the fact that, under what is termed the "Friday system of payment", the pay of a 53rd week will fall to be disbursed to British troops in 1915-16. An increase of R2·03 lakhs (£13,500) represents the growing strength of volunteers in India. Finally, the return of certain units lent for Colonial garrison duty increases expenditure next year by R7·27 lakhs (£48,500). On the other hand, changes in the composition of the local garrison and other causes are expected to give a saving of R46 lakhs (£306,700). In view of war conditions, the usual reliefs of troops in India will not take place, and this largely accounts for a lowering of the railway charges by R5·7 lakhs (£38,000). The following three items of expenditure in the current year will not recur in 1915-16, *viz.*, payments of bounty to British soldiers R3 lakhs (£20,000); acquisition of land in connection with the new cantonment at Delhi R1·9 lakhs (£12,700); and Arms Traffic operations R2·37 lakhs (£15,800).

Budget, 1915-16, compared with Revised, 1914-15. Expenditure—India.

197. The Home Estimates for 1915-16 amount to £4,140,100, or £764,700 less than the expenditure anticipated during the current year. The reduced scale of Army expenditure at Home is due to the present exceptional conditions. As already stated above, a sum of £300,000 has been deducted (by way of set off against a provision made in India in respect of wound and family pension charges caused by the war) from the payments which it is the practice to make to the War Office in respect of the portion of the retired pay of British forces which has been earned by service in India. The store demands are lower by £90,300, in consequence of a curtailment of special demands. The suspension of the Arms Traffic operations in the Persian Gulf accounts for a reduction of £53,600. The furlough allowances are less by £210,000, and the provision on account of the Indian troop service in 1915-16 is £4,000 only, which implies a reduction of £84,800 as compared with the current year.

Home.

198. The receipts in 1915-16 are estimated at R161·26 lakhs (£1,075,100), or £76,400 less than those of the current year. This falling off is attributable to war conditions, and more particularly to the fact that the bulk of the present British garrison in India are being supplied with articles of clothing in kind instead of being paid an allowance with which to purchase them.

Receipts. India and Home.

199. The net Army expenditure for 1915-16 is thus R41·41 lakhs (£276,100) below the Revised estimate of the current year. This is made up of a decrease of £738,300 at Home and an increase of £462,200 in India.

Net Expenditure.

200. The total estimated expenditure in 1915-16, *viz.*, R29,96·06 lakhs (£19,973,700) shows a decrease of R49·82 lakhs (£332,100) on the outlay contemplated in the current year's Budget. Excluding the transfer from the Home to the Indian Estimates of £300,000 for non-effective payments, there is a decrease of £962,500 at Home and an increase of £630,400 in India. The large decrease at Home is chiefly in furlough allowances (£368,000), in the stoppage of the Indian troop service (£318,000), the suspension of the Arms Traffic operations (£82,000), and smaller store demands (£199,200). The

Budget, 1915-16, compared with Budget, 1914-15. India and Home.

increase in India may be ascribed broadly to an extra expenditure of R62 lakhs (£413,300) owing to the recall to duty of all effective officers and the suspension of leave generally; to extra war expenditure of R51·5 lakhs (£343,300) on account of the internal safety of India; to the higher pay charges of Indian Medical Service and Royal Engineer officers transferred from civil to military duty, R24·3 lakhs (£162,000); and to increased food charges, R15·6 lakhs (£104,000). On the other hand, changes in organisation and other special measures give a decrease of R47·00 lakhs (£313,300).

The receipts for the coming year are £117,200 below the current year's Budget, and the net Army expenditure falls below the current year's Budget by £214,900.

Special Expenditure.

201. For the coming year, Special or Schedule expenditure will be reduced to a minimum, the provision made being only R17·53 lakhs (£116,900) against £634,900 in the Budget of 1914-15.

XXXIII and 46-A.—MARINE.

		Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	1915-16. Budget.
EXPENDITURE.							
India	R	37,61,939	38,36,942	38,35,541	35,22,000	36,06,000	35,23,000
Equivalent in sterling .	£	250,796	255,796	255,703	234,800	240,400	234,900
England . . .	£	199,932	224,132	257,142	270,100	215,300	415,500
Total	£	450,728	479,928	512,845	504,900	455,700	650,400
RECEIPTS.							
India	R	12,73,487	13,15,039	13,43,125	14,07,000	13,38,000	10,23,000
Equivalent in sterling .	£	84,900	87,669	89,542	93,800	89,200	68,200
England . . .	£	...	...	...	...	...	...
Total	£	84,900	87,669	89,542	93,800	89,200	68,200
NET EXPENDITURE	£	365,828	392,259	423,303	411,100	366,500	582,200

Revised, 1914-15, compared with Budget, 1914-15.

202. The total expenditure (India and Home) falls short of the Budget by £49,200 and there is a fall in receipts to the extent of £4,600; the net expenditure is thus £44,600 less than the Budget.

Expenditure, Receipts and Net Expenditure. India and Home.

The increase in Indian expenditure is due chiefly to larger purchases of stores to replenish stocks. Smaller supplies of stores and absence of outlay on special measures—see paragraph 203—account for the lower Home expenditure. The decrease in receipts in India is mainly due to the Royal Indian Marine vessels not being available to take up remunerative transport work as usual.

Special Expenditure.

203. The sum of £43,000 provided in the Budget on account of a new dredger required for the Bombay Dockyard and a new station ship for Rangoon, has lapsed.

Budget, 1915-16, compared with Revised, 1914-15. India and Home.

204. The Budget for 1915-16, as compared with the Revised of 1914-15, shows an increase of £194,700 in expenditure, made up of an increase at Home of £200,200 and a decrease in India of £5,500. The former is mainly accounted for by the provision of £188,600 for the two vessels referred to above and for a new despatch vessel required for duty in the Persian Gulf. The receipts in India are lower by £21,000, as no remunerative employment for Royal Indian Marine transports is anticipated next year.

Special Expenditure.

205. An allotment of £188,600 has been provided in 1915-16 for the new vessels mentioned above.

XXXIV and 47.—MILITARY WORKS.

		Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15. Budget.	1914-15. Revised.	1915-16. Budget.
ORDINARY.							
EXPENDITURE.							
India . . .	₹	96,54,399	95,84,652	96,23,778	96,81,000	98,61,000	84,90,000
Equivalent in sterling	£	643,627	638,977	641,585	645,400	657,400	566,000
England . . .	£	22,120	24,162	31,225	17,400	30,400	14,000
TOTAL	£	665,747	663,139	672,810	662,800	687,800	580,000
RECEIPTS.							
India	₹	11,81,866	10,82,428	11,49,059	12,00,000	11,25,000	11,55,000
Equivalent in sterling	£	78,791	72,162	76,604	80,000	75,000	77,000
England . . .	£	...	...	...	...	...	...
TOTAL	£	78,791	72,162	76,604	80,000	75,000	77,000
Net expenditure, Ordinary	£	586,956	590,977	596,206	582,800	612,800	503,000
SPECIAL DEMANDS.							
EXPENDITURE.							
India	₹	34,31,705	32,24,856	39,60,330	52,95,000	48,00,000	24,05,000
Equivalent in sterling .	£	228,780	214,990	264,022	353,000	320,000	160,300
England	£	15,130	9,250	10,465	6,600	9,200	4,000
TOTAL	£	243,910	224,240	274,487	359,600	329,200	164,300
TOTAL NET EXPENDITURE	£	830,866	815,217	870,693	942,400	942,000	667,300

206. Under this head the Ordinary expenditure, and the expenditure on Military Works Schedule (Special Demands) measures, are separately compiled in the ordinary course of accounting. Under Ordinary expenditure, the Revised anticipates an excess of £25,000, which is entirely due to expenditure in connection with the special provision of mess houses, officers' quarters, furniture, etc. The bulk of this outlay will eventually yield some return in the shape of rent.

Revised, 1914-15, compared with Budget, 1914-15, India and Home, Ordinary Expenditure.

Receipts.

207. The Military Works receipts represent the rents derived from military quarters and mess houses, recoveries for water supply and electrical power, the sale proceeds of stores, and the rental and repair recoveries from silladar cavalry units whose lines have been taken over by the Military Works Services. The slight decrease is mainly due to anticipated lower rental recoveries.

Special Demands, expenditure.

208. Under Special Demands, there is a decrease of ₹4·56 lakhs (£30,400), due mainly to the transfer of ₹1·90 lakhs to the Army head to complete the purchase of the site of the new cantonment at Delhi, and a lapse of ₹·88 lakhs on account of the Flying School which has been temporarily closed.

Net Expenditure. Total.

209. On Military Works expenditure as a whole, a net decrease of only £400 is expected.

Budget, 1915-16, compared with Budget, 1914-15.

210. The Ordinary Military Works grant for 1915-16 has been fixed at ₹87·00 lakhs (£580,000), as compared with ₹99·42 lakhs (£662,800) in the current year. It has been restricted to the lowest possible extent in consequence of existing conditions.

India and Home. Ordinary Expenditure.

Receipts.

211. Lower rental recoveries are expected in 1915-16, in view of the abnormal conditions prevailing, and the receipts therefrom are estimated at ₹11·55 lakhs (£77,000), or ₹0·45 lakhs (£3,000) less than those originally anticipated in the current year.

Special Demands, expenditure.

212. The allotment made for Special Demands amounts to ₹24·65 lakhs (£164,300), or ₹29·29 lakhs (£195,300) less than in 1914-15. The decrease is due to existing conditions having rendered it necessary to confine expenditure in 1915-16 to works in progress. The main allotments are ₹9·67 lakhs for works in the new cantonment at Delhi, ₹6·11 lakhs for the reconstruction of Indian troops' and followers' lines, and ₹ one lakh each for the Indian Infantry lines at Aden and new Cavalry lines at Lucknow.

Net Expenditure. Total.

213. The total net expenditure of ₹1,00·1 lakhs (£667,300) proposed in 1915-16 is less than the Budget provision of 1914-15 by ₹41·26 lakhs (£275,100).

47A.—SPECIAL DEFENCES.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		1915-1916. Budget.
					Budget.	Revised.	
EXPENDITURE.							
India	₹	40,570	88,287	1,07,225	2,67,000	1,57,000	2,18,000
Equivalent in Sterling .	£	2,705	5,886	7,148	17,800	10,500	14,600
England . . .	£	2,001	3,381	9,236	15,200	13,000	6,500
Total .	£	4,706	9,267	16,384	33,000	23,500	21,100

Revised, 1914-15.

214. The Revised shows a decrease of £9,500 owing to less expenditure being anticipated on stores and works.

Budget, 1915-16.

The allotment for next year amounts to ₹3·16 lakhs (£21,100), and includes ₹·98 lakh (£6,500) carried forward by the Secretary of State on account of store demands on hand.

These charges are treated as wholly Special.

MILITARY SERVICES: SUMMARY.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		1915-1916, Budget.
					Budget.	Revised.	
EXPENDITURE—							
India . . .	₹	23,57,78,260	23,37,15,857	23,70,44,219	24,23,14,000	24,97,46,000	25,21,41,000
Equivalent in Sterling .	£	15,718,551	15,581,057	15,802,948	16,154,200	16,649,700	16,809,400
England .	£	5,183,086	5,372,043	5,462,817	5,711,900	5,172,700	4,580,100
Total Expenditure	£	20,901,637	20,953,100	21,265,765	21,866,100	21,822,400	21,389,500
RECEIPTS—							
India . .	₹	1,29,46,776	1,57,58,084	1,52,76,982	1,52,18,000	1,44,09,000	1,33,74,000
Equivalent in Sterling .	£	863,119	1,050,539	1,018,466	1,014,500	960,600	891,600
England .	£	479,938	337,095	351,186	351,600	355,100	328,700
Total Receipts .	£	1,343,057	1,387,634	1,369,652	1,366,100	1,315,700	1,220,300
NET EXPENDITURE	£	19,558,580	19,565,466	19,896,113	20,500,000	20,506,700	20,169,200

215. The total net military expenditure during the current year is expected to exceed the original Budget provision by £16,700 only. But though the intended total outlay has been closely approached, many causes have operated to disturb the details of the original programme. War conditions have required the presence at duty of the full establishments and leave has been suspended. The progress of expenditure in certain directions has been impeded, while the war has entailed extra expenditure in connection with the internal safety of the country. Food charges have risen; the expenditure on the Indian troop service during the current year has been considerably reduced; and the Arms Traffic operations have also been suspended.

Finally, the special or schedule expenditure, for which the Budget allotted £1,070,500, has been restricted to £805,100.

216. The Budget estimate for 1915-16 assumes that war conditions will continue to be operative thoughout the year, and expenditure will accordingly be restricted to the minimum necessary for efficiency. The total grant for military services has thus been fixed at £20·17 million net, or about £⅓ million less than the Budget provision of the current year; and the allotment for Special expenditure has similarly been taken at the reduced figure of £490,900.

217. Both the Revised Estimate of the current year and the Budget of 1915-16, provide for the full ordinary maintenance cost of the troops, etc., employed with the Overseas Indian Expeditionary Forces as, in accordance with the Resolutions in both Houses of Parliament, Indian revenues will continue to bear the ordinary pay and other charges of the absent troops, etc. It is estimated that India's contribution on this account during 1914-15 will amount to £1·9 million and in 1915-16 to £4·8 million. Over and above this contribution from Indian revenues, the ordinary cost of the Imperial Service Troops employed with the Overseas Forces will be met by the Native States concerned. His Highness the Nizam of Hyderabad has also generously contributed £400,000 and His Highness the Maharaja of Mysore £333,000 towards the general expenses of the war; and similar loyal contributions, aggregating £40,000, have been offered by other Indian Princes.

TRANSFERS BETWEEN IMPERIAL AND PROVINCIAL.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
Transfers from Imperial to Provincial—						
1. Recurring assignments under the terms of the Provincial Settlements, including permanent additions subsequently made to them, with the exception of special recurring grants for Education and Sanitation	5,44,000	16,09,000	1,06,32,000	1,13,06,000	1,18,87,000	1,37,51,000
2. Special recurring grants for—						
(*i*) Education	...	55,96,000	1,05,38,000	1,13,45,000	1,14,29,000	1,14,46,000
(*ii*) Sanitation	...	...	36,50,000	36,70,000	36,70,000	36,70,000
3. Assignments in connection with the scheme for the incidence of famine relief expenditure (*vide* paragraph 54 of Financial Statement for 1907-1908)	37,50,000	37,50,000	37,50,000	29,12,000	29,26,000	24,70,000
4. Non-recurring grants—						
(*i*) Under the terms of the Provincial settlements	6,94,000	4,90,000	15,33,000	8,21,000	2,61,000	...
(*ii*) For Education	...	3,81,70,000	8,000	9,000	11,87,000	1,51,000
(*iii*) For Sanitation	50,00,000	1,50,00,000	1,00,000	...	5,50,000	...
(*iv*) For medical relief, agriculture and allied objects	35,00,000	...	25,35,000	...	...	...
(*v*) For public works expenditure and discretionary outlay	22,00,000	1,50,00,000	...	15,00,000	15,00,000	...
(*vi*) Other items	2,18,30,000	14,44,000	53,00,000	29,35,000	39,66,000	27,89,000
Total Transfers	3,75,18,000	8,10,59,000	3,80,46,000	3,44,98,000	3,73,76,000	3,42,77,000

(*a*) *Recurring assignments excluding special grants for Education and Sanitation.*

Revised, 1914-15.

218. The increase of R5·81 lakhs in the Revised estimate over the Budget of the current year is mainly due to the following three items:—

	Lakhs of Rupees.
(1) Recurring assignment to the Punjab in exchange for the surrender by it of R100 lakhs of its Provincial balance	3·50
(2) Contribution from Imperial to Provincial Revenues in the various provinces, owing to the transfer to the Provincial section of the salaries of officers of the Imperial Civil Veterinary Department which were hitherto debited in the Imperial section of the accounts	3·34
(3) Reduction in compensatory assignment to Madras, in connection with the remission of the village service cess in proprietary estates, due to slower progress in the resumption of *inam* lands of village servants	—·76
TOTAL	6·08

219. The Budget estimate for 1915-16 exceeds the Revised by R18·64 lakhs. The bulk of this increase is due to an assignment of R15·11 lakhs in aid of Provincial resources in Burma, the balance being made up as follows :— *Budget, 1915-16.*

	Lakhs of Rupees.
(1) Increase in the Punjab Government's share of the sale proceeds of sites for shops and residences in certain towns in the Punjab. (These receipts are credited in the Imperial section of the accounts, but the Local Government is entitled to a moiety)	1·98
(2) Increase in compensatory assignment to Madras in connection with the remission of the village service cess in proprietary estates, due to progress in the resumption of *inam* lands of village servants	1·59
(3) Petty adjustments of a recurring nature	—·05
Total .	3·53

(b) Special recurring grants for Education.

220. The variations between the Budget and the Revised estimates for the current year, and between the latter and the Budget estimate for 1915-16, are due to the allotment of small sums, for recurring outlay on specific items of Provincial expenditure, from the undistributed balance of the recurring appropriation of R124 lakhs made from Imperial revenues in recent years for the improvement of education (see paragraphs 97 and 98).

(c) Assignments in connection with the scheme for the incidence of Famine Relief expenditure.

221. The variations in the amount of assignments for the famine insurance of Provincial Governments provided in the estimates for 1914-15 and 1915-16 arise from the circumstances mentioned below. Under the scheme for the incidence of famine relief expenditure introduced in 1907, the details of which were explained in paragraphs 48 to 57 of the Financial Statement for 1907-08, certain annual assignments are made to Provincial Governments, and the latter use the funds so placed at their disposal to build up a reserve of credit with the Imperial Government which can be utilised when necessary to meet famine relief expenditure. To avoid the possible accumulation of an unnecessarily high credit, it was decided (1) to fix a maximum limit to the reserve of each province, and (2) when that limit was reached in any province, to discontinue the annual assignment until the credit had been reduced by expenditure on famine relief. The limit for the Central Provinces was fixed at R80 lakhs ; and it is estimated that this figure will be reached in 1914-15 with an assignment of R4·56 lakhs, instead of R4·42 lakhs as anticipated in the Budget estimate for the current year, and that in 1915-16 the assignment to the province on this account will be *nil*.

(d) Non-recurring grants under the terms of the Provincial Settlements.

222. The Budget estimate for the current year provides for an assignment of R8·21 lakhs to the United Provinces to bring the Provincial share of divisible Land Revenue up to the amount (*viz.*, R240 lakhs) guaranteed in the settlement. Owing to an improvement in the Land Revenue collections in the province, the amount of such assignment is now estimated at R2·61 lakhs only.

(e) Non-recurring assignments for Education.

223. The following are the details of the non-recurring grants given in the two years for expenditure in aid of education :—

	Lakhs of rupees. 1914-15.	1915-16.
(1) Additional grant to the Calcutta University for hostels	10·00	...
(2) Additional grant to the Dacca University . .	1·00	1·00
(3) Grant to the Islamia College, Lahore, for the equipment and maintenance of science laboratories . .	·26	·30
(4) Other petty items	·61	·21
Total .	11·87	1·51

A sum of ₹10 lakhs has been made over to the Government of Bengal in the current year for payment to the Calcutta University of the grant for the construction of hostels which was recently announced by His Excellency the Viceroy. The remaining contributions entered above have been given from the undistributed balance of the recurring appropriation of ₹124 lakhs made from Imperial revenues in recent years for Educational expenditure.

(*f*) *Non-recurring grants for Sanitation.*

224. The following allotments have been made during the current year from the undistributed balance of the special recurring appropriation of ₹51 lakhs made from Imperial revenues in recent years for the improvement of sanitation :—

	Lakhs of Rupees.
(1) To the Punjab, for a grant to the Simla Municipal Committee for the improvement and extension of the sewage system .	3·30
(2) To the United Provinces, for sanitary improvement of the pilgrim route to Badrinath and Kedarnath . . .	1·00
(3) To the United Provinces, for the establishment of an experimental sullage farm at Lucknow	1·00
(4) To Bombay, for a grant to the Bombay Sanitary Association .	·20
TOTAL .	5·50

(*g*) *Miscellaneous non-recurring grants.*

225. The following are the details of the miscellaneous non-recurring grants which will be given in the two years :—

	Lakhs of rupees.	
	1914-15.	1915-16.
(1) Contribution to meet provincial expenditure in Burma and Assam in connection with the North-East Frontier	27·47	28·52
(2) Assignment to Madras in respect of the balance outstanding at the credit of village service funds in the proprietary estates at the time of their abolition	7·32	...
(3) Grant to the United Provinces for tank restoration works, out of the special provision made in the Imperial Budget under Minor Irrigation Works for the improvement of irrigation . . .	1·53	...
(4) Contribution to the Punjab in aid of outlay on buildings required by it in consequence of the creation of the Delhi Province . . .	1·26	...
(5) Yearly instalments of the contribution to the Calcutta Improvement Trust for a period of 60 years .	1·50	1·50
(6) Grant for five years to the Chittagong Port in aid of dredging and revetment operations . .	·75	·75
(7) Miscellaneous adjustments, representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial .	—·17	—2·88
Total .	39·66	27·89

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

226. In the Budget for 1914-15, a sum of ₹18 crores was allotted for expenditure on the railway construction for which the Government of India undertake financial responsibility. During the course of the year the grant was reduced by ₹20·94 lakhs with reference to the excess over the allotment of the previous year and a further lapse of ₹46·86 lakhs is now anticipated, making the probable expenditure of the year ₹17,32·20 lakhs. For 1915-16 a grant of ₹12 crores has been provided, of which ₹4,45·62 lakhs have been allotted specifically for the supply of rolling stock.

227. The distribution of the total expenditure on Railway Construction between State and Companies' agency in each of the three years from 1913-14 to 1915-16 is as follows:—

		1913-1914. Accounts.	1914-1915. Budget.	1914-1915. Revised.	1915-1916. Budget.
1. Outlay on State Lines:					
(a) India	₹	11,22,69,200	11,74,69,000	12,17,49,000	9,28,13,000
	£	7,484,613	7,831,300	8,116,600	6,187,500
(b) England	£	2,998,587	2,641,400	2,434,100	1,450,200
TOTAL	£	10,483,200	10,472,700	10,550,700	7,637,700
2. Outlay of Companies:					
(a) India	₹	5,33,315	2,27,000	—80,33,000	—1,27,22,000
	£	35,553	15,100	—535,500	—848,100
(b) England	£	1,787,480	1,512,200	1,532,800	1,210,400
TOTAL	£	1,823,033	1,527,300	997,300	362,300
Total of Programme	£	12,306,233	12,000,000	11,548,000	8,000,000

The following outlay in England on account of purchased lines worked by companies is included in the Indian figures under outlay on State lines:—

	£4,956,669	4,697,300	4,571,600	3,031,300

228. The details of the Budget grant for 1915-16 are shown below :—

[Lakhs of rupees.

	Open Line.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
I.—Outlay on State Railways :—					
1. Assam-Bengal :—					
(i) Open line	14·08	6·92	21·00	...	...
(ii) Bhairab Bazar-Tangi	...	10·50	10·50	...	...
(iii) Kalaura-Sylhet	...	...	...	1·30	...
2. Bengal Nagpur :—					
(i) Main line	40·91	57·75	98 66	...	...
(ii) Bokaro-Ramgurh	...	...	...	·93	...
(iii) Vishnupur Santragachi	...	...	...	...	15·00
3. Bezwada Extension	...	·02	·02	...	...
4. Bombay, Baroda and Central India :—					
(i) Main line	14·20	103·80	118·00	...	...
(ii) Dholka-Dhanduka	...	...	...	...	5·00
5. Burma Extensions :—					
(i) Open line	·05	·50	·55	...	...
(ii) Southern Shan States	...	...	...	...	15·00
6. Dhone-Kurnool	...	·05	·05	...	...
7. East Indian :—					
(i) Open line	69·10	34·40	103·50	...	...
(ii) Bokaro-Ramgarh	...	...	...	·93	...
(iii) Burdwan-Howrah	...	...	...	23·50	...
8. Eastern Bengal System :—					
Open line	54 30	69·24	123·54	...	...
9. Great Indian Peninsula System :—					
(i) Main line	85·48	204·67	290·15	...	...
(ii) Itarsi-Nagpur, etc.	...	...	...	50·00	...
(iii) Agra-Delhi Chord	·03	·05	·08	...	...
(iv) Bhopal	...	·19	·19	...	...
(v) Harbour Branch Extension	...	...	...	19·00	...
(vi) Cawnpur-Banda	...	2·15	2·15	...	...
10. Jodhpur-Hyderabad (British Section)	...	·43	·43	...	...
11. Lower Ganges Bridge	...	2·00	2·00	...	...
12. North Western :—					
(i) Main line	92·83	43·17	136·00	...	...
(ii) Railway facilities at Delhi	...	2·00	2·00	...	...
(iii) Rahoki-Mirpurkhas conversion	...	7·00	7·00	...	...
(iv) Laki-Pezu Tank	...	...	...	7·70	...
13. Oudh and Rohilkhand :—					
Main line	21·02	·86	21·88	...	...
14. South Indian System—					
(i) Main line	15·74	15·66	31·40	...	...
(ii) Coonoor-Ootacamund	·18	...	·18	...	...
(iii) Tinnevelly-Quilon—British Section	·25	·01	·26	...	...
(iv) Do. Native State Section	·29	·05	·34	...	...
15. Tirhoot and extensions :—					
(i) Open line	—·40	1·20	·80	...	...
(ii) Roserah-Khagaria	...	...	...	1·00	...
16. Reserve	...	20·62	20·62	...	15·00
	408·06	583·24	991·30	104·36	50·00
II.—Outlay of Indian Railway Companies :—					
1. Burma	8·52	11·27	19·79	...	...
2. Lucknow-Bareilly	...	.62	·62	...	...
3. Madras and Southern Mahratta :—					
(i) Open line	29·04	·89	29·93	...	...
(ii) Guntur-Tenali	...	...	...	4·00	...
	37·56	12·78	50·34	4·00	...

By far the greater portion of the programme grant for 1915-16 will, as hitherto, be devoted to the improvement of open lines of railway.

229. The figures in the table in paragraph 227 do not include the expenditure on Protective Railways met from the Famine Insurance grant, nor that on Branch Line Companies. Including this expenditure and also some small expenditure from Provincial revenues, the total expected outlay on railway construction in the three years ending 1915-16 is as follows :—

	Accounts, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	₹	₹	₹
Total as in preceding table . . .	18,45,93,516	17,32,20,000	12,00,00,000
Famine Protective lines	1,28,642	—22,000	...
Branch lines	26,89,042	72,73,000	48,21,000
Provincial State line	21,213	24,000	20,000
Grand Total in Rupees .	18,74,32,413	18,04,95,000	12,48,41,000
Grand Total in sterling at ₹15 to the £ .	12,495,494	12,033,000	8,322,700

CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

230. The figures are—

	Accounts, 1913-14.	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
Total in Rupees . . .	1,92,33,925	1,80,00,000	1,74,46,000	1,65,00,000
Equivalent in Sterling . .	1,282,262	1,200,000	1,163,100	1,100,000

Revised, 1914-15.

231. The expenditure in 1914-15 will fall short of the Budget grant by ₹5·54 lakhs, owing mainly to a partial utilisation of the reserve for unforeseen requirements.

Budget, 1915-16.

The Budget grant for 1915-16 has been fixed at ₹165 lakhs, the decrease as compared with the outlay in the current year being mainly due to a reduction in the requirements of the Triple Canal Project in the Punjab which is nearing completion.

232. The following table shows the distribution of the expenditure in 1914-15 and of the grant for 1915-16 :—

Name of Project.	Expenditure in 1914-15.	Expenditure in 1915-16
	₹	₹
Works in operation—		
Mandalay Canal	3,53,000	1,70,000
Mon Canals	78,000	1,30,000
Ganges Canal, including Mat and Hathras branches and permanent head works . .	9,06,000	9,72,000
Agra Canal	1,15,000	77,000
Western Jumna Canal	75,000	3,00,000
Upper Bari Doab „	6,20,000	5,50,000
Sirhind Canal	4,50,000	3,48,000
Lower Chenab Canal	4,50,000	5,00,000
Lower Jhelum „	50,000	1,00,000
Godavari Delta Saystem	82,000	1,66,000
Kistna „ „	1,14,000	68,000
Cauvery „ „	81,000	87,000
Periyar System	53,000	29,000
Kurnool-Cuddapah Canal	45,000	64,000
Dad Canal	75,000	10,000
Eastern Nara Works	4,000	1,85,000
Begari Canal	93,000	84,000
Other Projects	3,50,000	2,70,000
Works under construction—		
Asola Mendha Tank works	1,22,000	1,33,000
Weinganga Canal	9,33,000	9,95,000
Mahanadi „	15,08,000	18,12,000
Ye-u Canal	6,11,000	6,37,000
Twante Canal	7,52,000	8,00,000
Gorai Canal	2,26,000	2,12,000
Upper Chenab Canal	16,44,000	13,50,000
Upper Jhelum „	32,50,000	21,00,000
Lower Bari Doab Canal	14,51,000	11,28,000
Upper Swat River Canal	26,45,000	13,90,000
Toludur Project	3,10,000	6,57,000
Seharwah Project	...	1,23,000
Reserve	...	10,53,000
TOTAL ₹ .	1,74,46,000	1,65,00,000
Equivalent in Sterling £ .	1,163,100	1,100,000

Of the total grant of ₹165 lakhs, about ₹121 lakhs will be allotted to canals under construction; and the balance (*viz.*, about ₹44 lakhs) will be devoted to the completion and development of canals in operation.

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

233. The figures are :—

	Accounts, 1913-14.	Budget, 1914-15.	Revised, 1914-15.	Budget. 1915-16.
Total in Rupees	67,06,999	1,00,00,000	54,51,000	40,00,000
Equivalent in sterling . . £	447,134	666,700	363,400	266,700

234. The expenditure in the current year is now expected to amount to ₹54·51 lakhs made up as follows :— *Revised, 1914-15.*

[Lakhs of Rupees.]

(*i*) Works Expenditure	45·00
(*ii*) Acquisition of land	1·68
(*iii*) Establishment and miscellaneous charges	7·83
TOTAL . . .	54·51

Of the works expenditure, about ₹14 lakhs will be spent on the preparation of sites, the laying out of service roads, the provision of a temporary supply of water and of electric power, and other preliminary work; ₹19 lakhs on the purchase of tools and plant and other stores; and ₹10 lakhs on work on the Secretariat, and the construction of certain residential buildings and roads. *Budget, 1915-16.*

235. The provisional distribution of the Budget estimate of ₹40 lakhs is given below :—

[Lakhs of Rupees.]

(*i*) Works Expenditure	28·50
(*ii*) Acquisition of land	1·23
(*iii*) Establishment charges and other miscellaneous expenditure	10·27
	40·00

Of the grant of ₹28·50 lakhs for works outlay, about one-fourth will be required for the preparation of sites and other preliminary work and for the further purchase of tools, plant, and other stores. The balance will be applied mainly to the construction of roads and buildings, work on which has been commenced during the current year.

WAYS AND MEANS.

HOME TREASURY.

Introductory.

236. The bulk of the payments made in England on account of the Government of India consist of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways and irrigation works, however, necessitates heavy borrowing; and when practicable, a large portion of the money required is raised in England, either direct or through the agency of Companies. A further complication is introduced by the practice under which all payments made in England to Railway Companies working purchased lines, for purchase of stores and other capital purposes, as well as all moneys raised by them and paid into the Home Treasury, are brought to account under the appropriate heads in this country and are treated in the Home accounts and estimates as remittances to or from India respectively. Operations connected with the Gold Standard Reserve, and with the replacement of one particular form or item of direct or indirect debt by another, also largely swell the receipts and charges of the Home Treasury without affecting the general Ways and Means programme.

237. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1914-15 and in the Budget estimate of 1915-16.

	Budget, 1914-1915.	Revised, 1914-1915.	Budget, 1915-1916.
RECEIPTS.	£	£	£
Temporary debt renewed	...	...	7,000,000
Capital raised and deposited by Railway Companies—			
For Capital outlay	552,400	1,576,700	2,400
*For discharge of debentures	2,630,900	...	1,996,600
Deposits and Advances—			
Gold Standard Reserve	8,812,200	10,021,200	7,963,500
*War transactions: Recoveries from War Office	...	762,000	1,089,000
Other items	54,500	213,400	5,700
Remittance Account between England and India—			
Railway transactions (capital)	1,250,000	2,325,200	7,010,000
Ditto (capital advance)	6,600	33,300	6,500
Gold withdrawn from Paper Currency Reserve	...	1,000,000	...
Gold received from India	...	604,800	...
War transactions: Recoveries from War Office	...	9,373,000	9,086,000
Other transactions	1,561,700	1,243,500	1,269,000
Total Receipts, excluding Council Bills and Loans	14,868,300	27,153,100	35,428,700
DISBURSEMENTS.			
Excess of Expenditure over Revenue	20,031,000	19,680,700	18,764,900
Capital Expenditure not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	2,790,400	2,552,000	1,572,700
Outlay of Railway Companies	1,514,600	1,552,200	1,212,800
*Payments to Railway Companies for discharge of debentures	2,630,900	...	1,996,600
Permanent Debt discharged	500,000	500,000	907,500
Temporary Debt discharged	...	...	7,000,000
Deposits and Advances—			
Gold Standard Reserve	8,809,400	10,038,000	7,967,500
*War transactions	...	762,000	1,089,000
Other transactions	16,300	254,500	2,000
Remittance Account between England and India—			
Railway transactions (capital)	500,000	...	510,000
Ditto (capital advance and revenue)	4,750,900	4,651,200	3,085,100
War transactions	...	570,000	823,000
Other transactions	520,300	1,030,100	1,200,700
Total Disbursements	42,063,800	41,590,700	46,131,800
NET DISBURSEMENTS	27,195,500	14,437,600	10,703,100
Financed as follows—			
Council Bills	20,000,000	6,900,000	7,100,000
Permanent Debt incurred	4,635,000	...	...
Temporary Debt incurred	...	7,000,000	...
Reduction of cash balance	2,560,500	537,600	3,603,100
Total	27,195,500	14,437,600	10,703,100
Opening Balance	7,457,000	8,157,700	7,620,100
Closing Balance	4,896,500	7,620,100	4,017,000

* The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and disbursement under each of them are generally equal, they do not affect the Ways and Means of the year to any material extent.

Revised, 1914-15.

General Result.

238. The outstanding feature of the current year is the reduction by £13·1 million of the amount expected from the sale of Council Bills, the demand for which has been very slack during the greater part of the year in consequence of the dislocation of India's export trade. The total drawings of the Secretary of State in 1914-15 are now estimated at £7·5 million, of which £·6 million will be appropriated as a remittance of the Gold Standard Reserve, and £6·9 million will be available to meet the disbursements of the Home Treasury against a Budget estimate of £20 million. The resultant shortage of funds for treasury requirements in England will, however, be more than counterbalanced by (1) an improvement of £700,700 in the opening balance of the year, mainly owing to higher receipts from Council Bills, and to smaller payments for military and other stores in 1913-14 than had been allowed for in the Revised estimate for that year; (2) a large receipt of £8,803,000 from the War Office in respect of recoverable outlay incurred on behalf of the Imperial Government in India in connection with the European war; (3) an increase of £2,365,000 in the receipts from Debt incurred in England and of £2,582,500 in the net deposits of capital by Railway Companies including those working purchased lines; (4) a withdrawal of £1 million from gold held on account of the Paper Currency Reserve in England against a corresponding payment made to the Reserve in India; (5) a receipt of £604,800 in respect of gold sent from India to Egypt and France; and (6) a decrease of £350,300 in the net expenditure chargeable to Revenue, and of £344,200 in the capital expenditure on railways, irrigation works, etc., inclusive of the net outlay of the various companies. On the other hand, a fall of £828,000 is anticipated in the net miscellaneous receipts which are treated in the Home accounts as remittances from India, caused chiefly by a decrease in the receipts for money orders issued in the Colonies and a larger demand for stores on the part of Provincial Governments in India; and allowing for a small deterioration of £98,900 in the net result of the Deposit and Advance transactions shown in the table on the preceding page, the cash balance in the Home Treasury at the end of 1914-15 will stand at £7,620,100, *i.e.*, £2,723,600 above the Budget estimate.

1914-15 Capital raised and deposited by Railway Companies.

239. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows :—

	Budget, 1914-15.	Revised, 1914-15.
RECEIPTS.		
(*a*) *Subscribed Capital*—		
(*i*) To discharge Debentures—	£	£
Assam-Bengal Railway	780,900	...
Bengal-Nagpur Railway	1,750,000	...
Madras and Southern Mahratta Railway	100,000	...
(*ii*) To meet Capital outlay—		
Bengal-Nagpur Railway	550,000	1,557,300
	3,180,900	1,557,300
(*b*) *Miscellaneous*—		
Transfer fees, etc.	2,400	19,400
TOTAL RECEIPTS	3,183,300	1,576,700
ISSUES.	£	£
For discharge of Debentures	2,630,900	...
For Capital outlay, *i.e.*, Stores, Establishment Charges, etc.	1,514,600	1,552,200
TOTAL	4,145,500	1,552,200

The Budget estimate provided for the replacement by fresh capital of £2,630,900 debentures of the Assam-Bengal, Bengal-Nagpur, and Madras and Southern Mahratta Railway Companies; and for a receipt of £550,000 in respect of the debenture stock of the nominal value of £2 million issued by the Bengal-Nagpur Company in January 1914. The actual receipt on this

account has exceeded the estimate by £8,600, and a further sum of £998,700 has been received from an issue of £1 million of new debentures by the same Company which was not contemplated in the Budget programme. On the other hand, it has not been found practicable to replace any of the debentures, though all of them have been renewed.

1914-15.

Railway remittances.

240. The following are the details of the Railway remittance transactions. As already explained, they occur almost wholly in connection with the capital account of the purchased lines worked by companies :—

	Budget, 1914-15.	Revised, 1914-15.
	£	£
RECEIPTS.		
Debenture Capital—		
South Indian Railway	1,250,000	2,295,200
Repayment of Capital Advances—		
Bombay, Baroda and Central India Railway	...	30,000
Miscellaneous—		
Transfer fees, etc.	6,600	33,300
TOTAL	1,256,600	2,358,500
ISSUES.		
Advances for purchase of stores—		
East Indian Railway	1,864,700	2,100,000
South Indian Railway	629,500	325,000
Bengal and North-Western Railway	55,100	69,000
Great Indian Peninsula Railway	1,616,900	1,630,900
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway)	537,700	480,000
TOTAL	4,703,900	4,604,900
Discharge of Debentures—		
South Indian Railway	500,000	...
Miscellaneous payments—		
East Indian Railway: rental paid to South Behar Railway Company	30,000	30,000
Rohilkhand and Kumaon Railway: Interest on Debenture Stock allocated to State works	17,000	16,300
TOTAL ISSUES	5,250,900	4,651,200

241. The Budget estimate provided for the replacement by fresh Capital of £500,000 debentures of the South Indian Railway Company, and for the issue of £750,000 new Capital by the same company. New 4 per cent. Debenture stock of the face value of £2,318,200 has been issued by the company, producing the amount shown above, and the debentures which matured during the year have been renewed. A sum of £30,000 will also be received from the Bombay, Baroda and Central India Railway Company in repayment of an advance made to it by the Secretary of State.

Loans, 1914-15.

242. The Budget programme contemplated the issue of new India stock of the nominal value of £5 million, which was expected to produce £4·635 million. No new issue of India stock has been made during the year ; but £7 million India bills have been issued, *viz* :—

(1) £2 million in September with a currency of 12 months at an average rate of £95-18-11·41 ;
(2) £2½ million in November with a currency of 12 months at an average rate of £95-16-8·85 ;
(3) £2½ million in November with a currency of 6 months at an average rate of £96-3-6·33.

£500,000 India bonds were redeemed during the year, as provided in the Budget estimate.

243. The Budget estimate provides for a net disbursement of £10,703,100. The decrease of £3,734,500 below the net disbursement in the current year's Revised is the net result of the following variations :— *1915-16. The Budget Estimate.*

Worse.

	£
Permanent Debt discharged, *more*	407,500
Deposits, Advances and Miscellaneous Remittance transactions, *net*	87,500
Receipt from the War Office in respect of recoverable outlay incurred in India in connection with the war, *less*	540,000
Gold withdrawn from Paper Currency Reserve, *less*	1,000,000
Gold received from India, *less*	604,800
Outlay on new Capital at Delhi, *more*	25,600

Better.

	£
Net expenditure on Revenue account, *less*	915,800
Net payments to Railway Companies, *less*	4,479,200
Outlay on State Railways, *less*	983,900
Outlay on Irrigation Works, *less*	21,000

244. The details working up to the decrease of £4,479,200 in the net payments to Railway Companies shown in the preceding paragraph are given below :—

	Revised, 1914-15.	Budget, 1915-16.
	£	£
RECEIPTS—		
Capital deposits by Railway Companies—		
For capital outlay	1,576,700	2,400
For discharge of debentures	...	1,996,600
Remittance account between England and India—		
Railway transactions	2,358,500	7,016,500
Total receipts	3,935,200	9,015,500
DISBURSEMENTS—		
Railway and Irrigation capital not charged to Revenue—		
Outlay of Railway Companies	1,552,200	1,212,800
Payments for discharge of debentures	...	1,996,600
Remittance account between England and India—		
Railway transactions	4,651,200	3,595,100
Total disbursements	6,203,400	6,804,500
NET DISBURSEMENTS	2,268,200	—2,211,000
Decrease		4,479,200

245. Provision has been made in the Budget for the discharge of £500,000 India Bonds and £407,500 Indian Midland Railway Debentures which mature during the year. On the discharge of the latter, all the Indian Midland Railway Debentures will have been paid off. The Budget estimate also provides for the replacement of all the India Bills issued during 1914-15. *Loans, 1915-16.*

246. Of the net disbursement of £10,703,100 in 1915-16, it is proposed to meet £7,100,000 by Council Bills and £3,603,100 by drawing on the cash balances of the Home Treasury, which are estimated to stand on the 31st March 1916 at £4,017,000 inclusive of £4,200 held on behalf of the Gold Standard Reserve.

1914-15 and 1915-16 Gold Standard Reserve.

247. The following are the details of the transactions of the Gold Standard Reserve in England :—

	1914-15.		1915-16.
	Budget.	Revised.	Budget.
RECEIPTS.	£	£	£
(*a*) Dividend on investments, Discount on Treasury Bills and Interest on Loans at short notice	520,500	488,500	374,300
(*b*) Remittance from India through Council Bills	...	600,000	...
(*c*) Exchequer Bonds, British Treasury Bills and Colonial Government Securities, etc., paid off	8,291,700	5,482,700	7,589,200
(*d*) Release of Gold at the Bank of England	...	3,450,000	...
Total	8,812,200	10,021,200	7,963,500
CHARGES.			
Investments made	8,278,200	949,900	7,306,000
Payments of Transfers and Bills on London	...	8,707,000	...
Deposit of Gold at the Bank of England	530,000	380,000	661,000
Custody of Gold at the Bank of England	1,200	1,100	500
Total	8,809,400	10,038,000	7,967,500

248. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
OPENING BALANCE—	£	£	£
(*a*) Invested (cost price)	17,914,000	17,745,500	13,212,700
(*b*) Uninvested—			
(1) Gold set aside in the Bank of England	4,320,000	4,320,000	1,250,000
(2) Rupees held in India	4,000,000	4,000,000	...
(3) Gold held in India	...	...	5,238,300
(4) Cash in the Home Treasury placed at short notice	23,200	25,000	8,200
(5) Balance due from Treasury balance in India	...	22,200	...
(6) Temporary loan to Treasury balance in India	...	...	7,000,000
	26,257,200	26,112,700	26,709,200
CLOSING BALANCE—			
(*a*) Invested (cost price)	17,900,500	13,212,700	12,929,500
(*b*) Uninvested—			
(1) Gold set aside in the Bank of England	4,850,000	1,250,000	1,911,000
(2) Rupees held in India	4,000,000	...	...
(3) Gold held in India	...	5,238,300	5,483,300
(4) Cash in the Home Treasury placed at short notice	26,000	8,200	4,200
(5) Temporary loan to Treasury Balance in India	...	7,000,000	7,000,000
	26,776,500	26,709,200	27,328,000
Difference between opening and closing balance representing net income in the year and made up as follows :—			
(1) Interest, etc., on investments in England (*vide* paragraph 247)	520,500	488,500	374,300
Less charge for custody of gold	*—1,200*	*—1,100*	*—500*
(2) Arrears of profit on new rupee coinage in India	...	3,000	...
(3) Interest on temporary loan to Treasury balance in India	...	106,100	245,000
TOTAL	519,300	596,500	618,800

249. £8·707 million of sterling bills and telegraphic transfers have been sold in India on London during the current year. The amount has been credited in India to the Gold Standard Reserve. The opposite payments in London have been met partly from gold held on account of the Gold Standard Reserve at the Bank of England; partly from the proceeds of the Council Bills sold in England on the Reserve in India; and partly from the proceeds of the short-term securities of the British and Colonial Governments which have matured, and from the dividends on investments realised, during the year.

250. The following is a summary of the figures relating to Council Bills and the Sterling Debt of Government and of Railway Companies (omitting transfer fees, etc.) included in the estimates for 1914-15 and 1915-16 :— *1914-15 and 1915-16. Summary of Debt transactions and Capital account of Railway Companies.*

	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
	£	£	£
RECEIPTS.			
Council Bills . . .	20,000,000	6,900,000	7,100,000
Permanent Debt incurred (India Stock) . . .	4,635,000	...	...
Temporary Debt incurred .	...	7,000,000	7,000,000
Receipts on account of the Subscribed Capital of Railway Companies . .	3,180,900	1,557,300	1,996,600
Receipts on account of the Debenture Capital of Railway Companies working purchased Railways . .	1,250,000	2,295,200	7,010,000
OUTGOINGS.			
Permanent Debt discharged .	500,000	500,000	907,500
Temporary Debt discharged .	...	...	7,000,000
Discharge of Railway Companies' Debentures (inclusive of Debentures of Companies working purchased lines) . . .	3,130,900	...	2,506,600

The programme herein announced of the probable drawings on India and of the transactions in connection with the Government Sterling Debt and the borrowings of Railway Companies, represents the present intentions of the Secretary of State. But in view of the varying conditions of Indian finance and of the London money market, no assurance can be given that this programme will be adhered to either in amount or in form. The Secretary of State reserves to himself the right to vary the programme to any extent that may be considered necessary during the course of the year. The estimate of Council drawings is for the amount necessary to provide for the Secretary of State's requirements, but additional Bills will as usual be sold if needed to meet the demands of trade.

INDIA.

251. The following is a summary of the Estimates of Ways and Means in India during 1914-15 and 1915-16 :—

	Budget Estimate, 1914-1915.		Revised Estimate, 1914-1915.		Budget Estimate, 1915-1916.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.
Receipts.	R	£	R	£	R	£
1. Excess of Revenue over Expenditure charged to Revenue	31,93,12,000	21,287,500	25,34,23,000	16,894,900	23,71,17,000	15,807,800
2. Capital raised through Companies towards outlay on State Railways	1,22,50,000	816,600	3,55,13,000	2,367,500	9,80,00,000	6,533,300
3. Capital contributed by Native States towards outlay on State Railways	10,00,000	66,700	10,00,000	66,700	10,00,000	66,700
4. Unfunded Debt incurred, mostly Savings Bank deposits (net)	2,65,81,000	1,772,100	—7,60,64,000	—5,070,900	—32,97,000	—219,900
5. Appropriation for Reduction or Avoidance of Debt	30,22,000	201,500	31,52,000	210,100	73,94,000	492,900
6. Other Deposits and Remittances (net)—						
(a) War Transactions	...	...	3,07,30,000	2,048,600	—1,50,60,000	—1,004,000
(b) Other Transactions	56,89,000	379,300	—88,95,000	—593,000	—45,91,000	—305,900
7. Remittance account between England and India—Transactions of Railway Companies (net) excluding debenture capital	7,11,65,000	4,744,300	6,92,69,000	4,617,900	4,61,78,000	3,078,600
Total Receipts excluding loans	43,90,19,000	29,268,000	30,81,27,000	20,541,800	36,67,41,000	24,449,500
Disbursements.						
8. Capital Expenditure not charged to Revenue—						
(a) State Railways and Irrigation Works	13,47,64,000	8,984,300	13,82,95,000	9,219,700	10,87,28,000	7,248,500
(b) Initial expenditure on new Capital at Delhi	84,70,000	564,700	45,83,000	305,500	27,48,000	183,200
(c) Outlay by Companies (net)	2,27,000	15,100	—80,33,000	—535,600	—1,27,22,000	—848,100
9. Permanent Debt discharged (net)	29,06,000	193,700	15,92,000	106,100	12,56,000	83,800
*10. Provincial surpluses (—) or deficits (+)	4,80,89,000	3,205,900	3,38,24,000	2,255,000	1,61,63,000	1,077,600
11. Imperial and Provincial Loans (net)	25,36,000	169,100	19,35,000	128,900	—38,85,000	—259,000
12. Remittance account between England and India—						
(a) Capital raised by Railway Companies (net)	1,12,50,000	750,000	3,48,78,000	2,325,200	9,75,00,000	6,500,000
(b) Remittance of gold to England	...	...	90,72,000	604,800	...	...
(c) Transfers through Paper Currency Reserve	...	...	1,50,00,000	1,000,000	...	...
(d) War transactions	...	...	15,79,00,000	10,526,600	11,34,90,000	7,566,000
(e) Other transactions (net)	1,57,14,000	1,047,600	55,17,000	367,900	8,94,000	59,600
†13. Council Bills	30,00,00,000	20,000,000	9,98,58,000	6,657,200	10,89,00,000	7,260,000
Total Disbursements	52,39,56,000	34,930,400	49,44,21,000	32,961,300	43,30,72,000	28,871,600
Net Disbursements	8,49,37,000	5,662,400	18,62,94,000	12,419,500	6,63,31,000	4,422,100
Financed as follows:						
Permanent Debt incurred	5,00,00,000	3,333,300	5,00,00,000	3,333,300	4,50,00,000	3,000,000
Temporary Debt incurred (net)	...	...	11,00,00,000	7,333,300	...	...
Reduction of (+) or addition to (—) Treasury Balances	3,49,37,000	2,329,100	2,62,94,000	1,752,900	2,13,31,000	1,422,100
Total	8,49,37,000	5,662,400	18,62,94,000	12,419,500	6,63,31,000	4,422,100
Opening Balance	22,06,07,000	14,707,100	23,41,24,000	15,608,300	20,78,30,000	13,855,400
Closing Balance	18,56,70,000	12,378,000	20,78,30,000	13,855,400	18,64,99,000	12,433,300

* Head (10) represents expenditure defrayed by reduction of Provincial balances.

† The figures shown under head (13) differ from those given in the Home Treasury Ways and Means statement, as Bills drawn by the Secretary of State towards the end of one year are paid in India in the next. The figures of the present statement represent payments in India.

1914-15. Main features of Budget estimates.

252. In the Budget estimate for 1914-15, the cash balance in the Indian Treasuries on the 1st April 1914, was taken at R22,06 lakhs. It was estimated: (1) that the net Imperial revenue in India would amount to R31,93 lakhs, (2) that the net deposits in Savings Banks and Provident Institutions would increase during the year by R2,66 lakhs, (3) that a sum of R30 lakhs would be available from the Famine Insurance grant for the avoidance of debt, and

(4) that the remittance and capital transactions of Railway Companies, etc., would result in a net credit of ₹7,31 lakhs. On the other hand, provision was made: (1) for a net expenditure of ₹4,81 lakhs from Provincial balances, (2) for capital expenditure in India on railways (inclusive of outlay by companies) and canals to the extent of ₹13,50 lakhs, (3) for an outlay of ₹85 lakhs on the construction of the new Capital at Delhi, (4) for the discharge of ₹29 lakhs of the permanent debt, (5) for net payments of ₹25 lakhs and ₹100 lakhs, respectively, in connection with Imperial and Provincial loans and miscellaneous deposit and remittance transactions, and (6) for the payment of Council Bills to the extent of ₹30,00 lakhs. The total payments mentioned above aggregate ₹50,70 lakhs, against a total receipt of ₹42,20 lakhs; and it was proposed to meet the net disbursement of ₹8,50 lakhs by raising a rupee loan of ₹5 crores and by drawing on the cash balances to the extent of ₹3,50 lakhs.

1914-15. Main features of Revised estimates.

253. The results according to the Revised estimates show considerable variations from this forecast. The year opened with a balance which was ₹1,35 lakhs more than the Budget forecast, the increase being mainly due to the improvement in the revenue account in 1913-14 over the Revised estimate for that year (see paragraph 6). The full amount of the contemplated rupee loan of ₹5 crores was duly raised in July. The European war and the consequent dislocation of India's trade have, however, led to a large shortage in the revenue collections in India; while heavy withdrawals from our Postal Savings Banks have taken place since the outbreak of the war. It has accordingly been found necessary to borrow large sums temporarily from the Gold Standard Reserve, besides taking advantage of the offer of a temporary loan of ₹50 lakhs from the Gwalior State. Taking India as a whole, there will be a deterioration of ₹5,16 lakhs in the combined revenue account of the Imperial and Provincial Governments; of ₹10,26 lakhs under Unfunded Debt, a net payment of ₹7,60 lakhs being now anticipated on this account against a net receipt of ₹2,66 lakhs in the Budget; of ₹22 lakhs in the net credits connected with the remittance and capital transactions of Railway Companies, etc.; and of ₹44 lakhs under miscellaneous Deposit and Remittance transactions, being the net result of (1) higher drafts on the banking accounts maintained with our treasuries by various local bodies; (2) a large return of small coin from circulation; (3) a reduction in the balance of uncashed railway cheques at the end of the year as compared with that at its beginning; (4) smaller payments on account of foreign money orders; and several other variations. A payment of ₹1,50 lakhs has been made from treasury balances to the Paper Currency Reserve in India against a withdrawal of an equivalent amount of gold from the Reserve in England to meet the requirements of the Home Treasury; and a remittance of ₹91 lakhs in gold has also been made from India against a corresponding payment into the Home Treasury. Further, outlay to the extent of ₹12,72 lakhs will be incurred in India on behalf of His Majesty's Government in connection with the war, against which a payment will be made by the War Office into the Home Treasury of the Government of India. Our total claim against the Imperial Government on account of this recoverable expenditure in 1914-15 is estimated at ₹15,79 lakhs, see item 12 (*d*) in the table at page 124. But out of this sum, ₹3,07 lakhs represent the value of military stores and war *materiel* issued from our stock, in respect of which no cash outlay on replacement will be incurred in the current year and which will not, therefore, involve any reduction in our cash balances in 1914-15; and the latter amount accordingly appears in the table at page 124 as a credit under Deposits—see item 6 (*a*). The total deterioration in our financial position from the various circumstances mentioned above amounts to ₹31,21 lakhs. But it will be partly counterbalanced by improvements in other directions, aggregating ₹22,43 lakhs, made up as follows: (1) an increase of ₹1,35 lakhs in the opening balance of the year; (2) a reduction of ₹20,01½ lakhs in the payment of Council Bills; (3) a lapse of ₹47 lakhs in the grant for capital expenditure in India on railways (inclusive of outlay by companies) and canals, and of ₹39 lakhs in the Indian grant for Imperial Delhi; (4) a saving of ₹13 lakhs in the provision for the discharge of debt, mainly owing to the postponement

of the repayment of the instalment of the Gwalior loan of 1887 which fell due during the year; (5) a reduction of ₹6 lakhs in the net payments on account of *takavi* and other loans; and (6) a small increase of about ₹1½ lakh in the amount available from the Famine Insurance grant for the reduction or avoidance of debt. With the help of the temporary loan of ₹50 lakhs from the Gwalior Durbar and of temporary borrowing to the extent of ₹10,50 lakhs from the Gold Standard Reserve, we accordingly expect to close the year with a cash balance of ₹20,78 lakhs, or ₹2,22 lakhs more than the Budget estimate.

1914-15. Rupee loan.

254. It was announced last year, subject to the usual reservations, that a new 3½ per cent. rupee loan of ₹5 crores would be raised in 1914-15. Tenders for this loan were opened on the 3rd July and the result was as follows:—

Total amount tendered.	Amount accepted.	Average rate of accepted tenders.	Minimum rate accepted.
₹	₹	₹ a. p.	₹ a. p.
11,76,57,900	5,00,00,000	95 9 7·295	95 9 0

1915-16. Main features of Budget estimate.

255. In 1915-16 the net Imperial revenue in India is estimated at ₹23,71 lakhs; a sum of ₹74 lakhs will be available from the Famine Insurance grant for the avoidance of debt; the remittance and capital transactions of Railway Companies, etc., are likely to result in a net credit in India of ₹4,77 lakhs; and a net receipt of ₹39 lakhs is anticipated in connection with Imperial and Provincial loans, owing mainly to the recovery of a portion of the large amounts of *takavi* issued in 1913-14 and in the earlier part of the current year. On the other hand, provision has been made: (1) for an expenditure of ₹1,62 lakhs from Provincial balances; (2) for a net payment of ₹33 lakhs on account of Unfunded Debt; (3) for payments of ₹13 lakhs and ₹55 lakhs respectively in connection with the discharge of permanent debt, and miscellaneous deposit and remittance transactions; (4) for capital expenditure of ₹9,60 lakhs in India on railways and canals and of ₹27 lakhs on Imperial Delhi; (5) for a recoverable outlay of ₹11,35 lakhs in connection with the war, and for a net expenditure of ₹1,51 lakhs on the replacement of military stores and *materiel* supplied from our stock to His Majesty's Government; and (6) for the payment of Council Bills to the extent of ₹10,89 lakhs. The total amount of funds required by the Government of India next year therefore aggregates ₹36,25 lakhs, while the receipts at its disposal amount to only ₹29,61 lakhs.

1915-16. Borrowing in India.

256. Of the net disbursement of about ₹6½ crores, it will be possible to meet about ₹2 crores from the cash balance which will be held in India at the end of the current year; and to provide for the shortage, it is proposed to borrow in India next year a sum of ₹4½ crores. With a loan of this amount, the closing balance at the end of 1915-16 will stand, according to the present estimate, at ₹18,65 lakhs. The announcement now made regarding the rupee borrowing is in accordance with present intentions; but full liberty is reserved, as usual, to vary the programme now announced to any extent that may be considered desirable.

1914-15 and 1915-16.

257. The following table gives details of the transaction of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1914-15 and 1915-16:—

Post Office Savings Bank, etc.

Year.	Net additions to deposits, cash.	Interest.	Total addition.
1904-05	78,94,000	45,87,000	1,24,81,000
1905-06	31,49,000	46,80,000	78,29,000
1906-07	50,94,000	52,25,000	1,03,19,000
1907-08	14,86,000	53,50,000	68,36,000
1908-09	—26,22,000	54,63,000	28,41,000
1909-10	51,82,000	57,20,000	1,09,02,000
1910-11	1,05,06,000	60,82,000	1,65,88,000
1911-12	1,95,69,000	67,79,000	2,63,48,000
1912-13	1,68,26,000	73,79,000	2,42,05,000
1913-14	2,37,05,000	84,07,000	3,21,12,000
1914-15 (Revised)	—8,45,73,000	77,72,000	—7,68,01,000
1915-16 (Budget)	—1,06,86,000	65,65,000	—41,21,000

The net withdrawals from Postal Savings Banks in the current year to end of January have amounted to ₹8,67 lakhs, and the net withdrawals in February and March are estimated at ₹25 lakhs, bringing the total net withdrawals from these banks in 1914-15 to ₹8,92 lakhs. The Budget estimate for 1915-16 anticipates a further net withdrawal of ₹1,50 lakhs from Postal Savings Banks, and a growth of ₹43 lakhs in the deposits in the various Provident funds for Government servants.

J. B. BRUNYATE.

The 22nd March 1915.

Appendix I.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

Prefatory Note.

I.—Scope of pro formâ account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Comptroller General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the reconstruction of the accommodation of the troops already there had long been recognised as pressing. Similarly, the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "51—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "48—State Railways." Item 1 of Part I of *pro formâ* account. Item 3 (*b*), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Comptroller General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "45—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e. g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head XXXI—Civil Works." Item 2, *ibid.* Item II, *ibid.*

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or, secondly, as departmental expenditure chargeable to the Department in which it is incurred.

Items 1 and I of Part II of *pro formâ* account.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations, and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. But as the Civil Estimates are not published till late in the year, a special arrangement has been made by which the figures for the Delhi province under each major head are separately shewn in the various sections of the Financial Secretary's memorandum (*e.g.*, I and 3, Land Revenue, page 21). It will be noted that any grants which may specially be given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and, consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (*a*) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads, respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department, neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

Item I of Part I.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure in Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads, "XXV—Miscellaneous" and "XXXI—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such savings will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.	Actuals to end of 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "51" (for details see Statement I-A)	85,05	54,51	40,00
2. Temporary Delhi *	54,33	...	...
3. Initial expenditure of non-Civil Departments :—			
(*a*) Military services †	16,84	20,00	10,00
(*b*) Railways ‡	...	7,50	2,00
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	...	1,26	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	1,92	27	...
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	53	27	27
7. Miscellaneous items §	90	15	...
TOTAL	1,59,57	83,96	52,27
Total Expenditure to end of 1915-16		2,95,80	
Net expenditure to end of 1915-16		2,95,80	

RECEIPTS.	Actuals to end of 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move	...	...	...
II.—Non-recurring receipts on account of Temporary Works	...	...	...
III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi ‖	...	...	...
IV.—Miscellaneous items	...	...	...
TOTAL	...	...	...
Total receipts to end of 1915-16	...		

* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1913-14.	1914-15.	1915-16.
Acquisition of land	10,93	1,90	33
Cost of buildings	4,77	18,10	9,67
Establishment charges	1,14		
TOTAL	16,84	20,00	10,00

‡ NOTE 3.—The provision in 1914-15, and in 1915-16 is mainly on account of land acquisition charges.

§ NOTE 4.—The expenditure shown against item 7 represents mainly cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

‖ NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus in 1913-14 the Government of Bengal, by moving its offices into the vacated Imperial buildings in Calcutta, saved Rs. 58,000, partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Receipts.	Actuals, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
1. Expenditure of Delhi Province * . .	33,74	35,69	29,74	I.—Revenues of Delhi Province*	15,05	15,77	15,41
2. Compensatory assignment to Punjab Provincial revenues in respect of extra expenditure incurred in administering territories which have been transferred from the old Delhi District to the districts of Rohtak and Gurgaon . .	...	23	13	II.—Assignment from Punjab Provincial revenues to Imperial on account of the creation of the new Province of Delhi, with effect from the 1st October 1912† .	1,91	1,91	1,91
3. Miscellaneous items .	...	...	...	III.—Saving under Calcutta house allowances‡ .	40	41	42
				IV.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices.§ . .	2,50	2,50	2,50
Total expenditure .	33,74	35,92	29,87	V.—Miscellaneous items .	...	...	...
Net expenditure .	13,88	15,33	5,63	Total receipts .	19,86	20,59	20,24

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—This assignment represents the amount by which the Provincial outlay on the Delhi area exceeded the Provincial revenue obtained therefrom prior to the constitution of the Imperial enclave, *i.e.*, the net expenditure incurred on that area of which the Local Government has now been relieved.

‡ NOTE 3.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

§ NOTE 4.—The figure shown against item IV is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1913-14.	Revised Estimate, 1914-15.	Budget† Estimate, 1915-16.
A.—Salaries and allowanees—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	2,02	2	
(ii) Non-gazetted officers	14	...	
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	3,69	3,69	
(ii) Non-gazetted offieers	1,28	1,91	
(*c*) Other officers employed on the Project—			
(i) Gazetted officers*	1,10	80	
(ii) Non-gazetted officers	37	23	
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	23	...	
(ii) Non-gazetted officers	2	...	
(*b*) Public Works and Electrical officers employed on the Project—			
(*i*) Gazetted officers*	34	39	
(*ii*) Non-gazetted officers	16	20	
(*c*) Other officers employed on the Project—			
(i) Gazetted officers *	5	4	
(ii) Non-gazetted officers	4	2	
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	
(*b*) Public Works and Electrical officers employed on the Project	52	34	
(*c*) Other officers employed on the Project	11	14	
D.—Works Expenditure—			
(i) Buildings	1,51	8,95	
(ii) Communications	6	1,05	
(iii) Miscellaneous Public Improvements	1,05	23	
(iv) Electric Light and Power	...	...	
(v) Irrigation	...	...	
(vi) Sanitation including water-supply, drainage and sewage	...	...	
(vii) Purchase of tools and plant	12,08	16,56	
(viii) Stock and Suspense	4,59	2,56	
(ix) Miscellaneons items	20,76	13,74	
(x) Maintenance during construction	19	1,91	
E.—Acquisition of land	34,19	1,68	
F.—Other Miscellaneous expenditure	4	...	
G.—Unallotted Reserve	...	...	
Deduct.—Receipts on Capital Account	...	...	
Total	85,05	54,51	40,00

* NOTE.—The charges of the town planners and other experts are included under these heads

† The total grant has not yet been distributed finally among the various items.

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupees.]

RECEIPTS.				EXPENDITURE.			
Major heads of Account.	Actuals, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Major heads of Account.	Actuals 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
I.—Land Revenue . .	3,53	3,53	3,56	1. Refunds and Drawbacks . .	9	10	9
II.—Opium . . .	25	25	25	2. Assignments and Compensations	2	9	...
IV.—Stamps . . .	3,06	3,32	3,18	3. Land Revenue . . .	92	1,03	1,01
V.—Excise . . .	2,71	2,88	2,95	6. Stamps		7	7
VII.—Customs . . .	4	4	4	7. Excise	6	6	7
VIII.—Assessed Taxes . .	2,13	2,20	1,98	10. Assessed Taxes . . .	1	1	1
X.—Registration . .	23	24	24	11. Forest	...	...	7
XII.—Interest . . .	39	39	36	12. Registration	6	7	7
XVI-A.—Courts of Law . .	21	17	20	13. Interest	...	...	...
XVI-B.—Jails . . .	32	30	28	18. General Administration . .	95	85	88
XVII.—Police . . .	4	5	6	19-A. Courts of Law . . .	1,62	2,50	1,70
XIX.—Education . .	19	19	17	19-B. Jails	64	70	70
XX.—Medical . . .	1	1	1	20. Police	3,83	4,32	4,07
XXIA.—Agriculture . .	1	...	...	22. Education	1,43	2,34	1,56
XXIB.—Scientific and Miscellaneous Departments.	5	5	5	23. Ecclesiastical . . .	13	16	19
XXII.—Receipts in aid of Superannuation, etc.	3	3	3	24. Medical	1,86	5,36	2,36
XXIII.—Stationery and Printing	5	6	6	25. Political	...	1	1
XXV.—Miscellaneous . .	36	51	50	26A. Agriculture . . .	7	13	12
XXX.—Minor Irrigation Works and Navigation.	1	1	1	26B. Scientific and Miscellaneous Departments.	9	4	2
XXXI.—Civil Works . .	1,43	1,54	1,48	27. Territorial and Political Pensions.	37	60	51
				29. Superannuation and Retired allowances.	1,71	1,76	1,72
				30. Stationery and Printing .	10		14
				32. Miscellaneous . . .	38	50	98
				43. Minor Irrigation Works and Navigation.	1		3
				45. Civil Works . . .	(a)19,23	(b)14,84	13,36
Total Receipts .	15,05	15,77	15,41	Total Expenditure .	(a)33,74	(b)35,69	29,74

(a) Includes 7 on account of expenditure in England on purchase of stores.
(b) „ 2 „ „ „

APPENDIX.

Appen

COMMERCIAL AND

TABLE I.—MIS

	1906-07.	1907-08.	1908-09.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works and the Delhi Capital not charged against Revenue—			
Surplus	£ 1,589,340	£ 300,615	...
Deficit	...	...	£ 3,737,710
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 8,712,668	£ 11,412,767	£ 10,471,657
Ditto charge involved in Redemption of Liabilities	...	£ 2,144,800	...
Initial Expenditure on new Capital at Delhi	...	...	...
Net Public Debt incurred	£ 4,166,102	£ 10,725,963	£ 5,633,956
Net Public Debt incurred, including Capital transactions with Railway Companies	£ 2,144,709	£ 13,311,920	£ 10,370,196
Value of commodities exported, excluding Gold and Silver ₹	1,77,03,00,000	1,77,48,50,000	1,53,14,30,000
Ditto imported, ditto ditto ₹	1,17,24,20,000	1,36,64,80,000	1,28,78,70,000
Excess of Exports over Imports, excluding Gold and Silver ₹	59,78,80,000	40,83,70,000	24,35,60,000
Net Imports of Gold ₹	14,85,60,000	17,36,80,000	4,35,60,000
Ditto of Silver ₹	24,00,60,000	19,46,80,000	12,06,80,000
TOTAL NET IMPORTS OF GOLD AND SILVER ₹	38,86,20,000	36,83,60,000	16,42,40,000
Excess of Exports over Imports including Gold and Silver ₹	20,92,60,000	4,00,10,000	7,93,20,000
Grand Total value of Imports and Exports of all kinds ₹	3,44,57,00,000	3,61,86,60,000	3,10,99,40,000
Secretary of State's Bills sold (Rupees) ₹	49,09,99,935	§24,30,65,151	§20,96,37,188
Sterling Equivalent received £	32,907,196	§16,232,061	§13,915,426
Silver coined at the Indian Mints ₹	26,08,57,405	18,11,56,540	2,85,35,914
Maximum price in pence of an oz. troy, standard Silver in London	33⅛ (Nov.)	32 3/16 (Aug.)	25½ (Apl.)
Minimum ditto ditto	29⅝ (Apl. & June)	24 (Dec.)	22 (Dec.)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4·083d.	1s. 4·029d.	1s. 3·964d.
Fixed rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1s. 4d.	1s. 4d.	1s. 4d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	9 (from Dec. 6 to Mar. 31).	9 (from Apl. 1 to 17 and Jan. 16 to Mar. 4).	8 (from Jan. 28 to Mar. 17).
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (from July 19 to Aug. 8).	3 (from July 25 to Sept. 11).	3 (from July 15 to Sep. 2).
Maximum rate of discount at the Bank of England	6 (Oct. 19 to Jan. 16).	7 (Nov. 7 to Dec. 31).	3 (Apl. 1 to May 27 & Jan. 14 to Mar.).
Minimum ditto ditto	3½ (Apl. 5 to May 2, June 21 to Sept. 12).	3½ (Mar.)	2½ (May 27 to Jan. 13).
Maximum Government balances at the three Presidency Banks ₹	3,68,28,000 (Aug.)	4,10,83,000 (Mar.)	4,19,82,000 (July)
Minimum ditto ditto ₹	2,95,11,000 (Oct.)	2,86,56,000 (Apl.)	3,04,47,000 (Jan.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	99—11 (Apl. 1 & 2).	98—6 (May 4 to 7)	96—15 (Apl. 7)
Minimum ditto ditto	94—13 (Dec. 17 & 18).	95—8 (Jan. 14 and 15).	93—2 (Mar. 16)
Maximum price in Calcutta of 3 per cent Rupee Securities	87—2 (Apl. 1 to 19 & Apl. 24 to May 14).	92—8 (Apl. 1 to May 14).	81—0 (July 18 to Mar. 31).
Minimum ditto ditto	82—8 (Feb. 20 to 26 & Mar. 28).	79—0 (5th Feb. to Mar. 31).	79—0 (Apl. 1 to May 3).
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts ₹	16,92,17,000 (Dec.)	16,44,30,000 (Apl.)	15,29,69,000 (Apl.)
Minimum ditto ditto ₹	16,30,80,000(July)	15,23,22,000 (Mar.)	14,43,66,000(Mar.)
Maximum price in London of 3½ per cent (Rupee Securities in Gold)	66⅜ (Apl.)	65¾ (Apl. & May)	63 13/16 (Apl.)
Minimum ditto ditto	64 3/16 (Dec.)	62¾ (Nov.)	61⅞ (Mar.)
Maximum price in London of India 3½ per cent Stock	106 (Apl.)	103 (Feb.)	102⅛ (June)
Minimum ditto ditto	99¼ (Mar.)	96¾ (Aug.)	95⅞ (Mar.)
Maximum price in London of India 3 per cent Stock	97¼ (Apl.)	93 (Feb.)	92⅞ (Apl.)
Minimum ditto ditto	88⅛ (Mar.)	84½ (Sep.)	84½ (Mar.)
Maximum price in London of India 2½ per cent Stock	82 (Apl.)	79½ (Feb.)	78¾ (Apl.)
Minimum ditto ditto	75 (Mar.)	70⅓ (Aug.)	70 (Jan.)
Maximum Government Paper Currency outstanding	47,30,20,000(July)	52,74,34,000 (Sept.)	48,09,87,000 (July)
Minimum ditto ditto ₹	42,89,24,000 (May)	41,81,65,000 (Jan.)	42,07,01,000 (Dec.)
Number of Post Office Savings Banks	8,049	8,328	8,501
Number of accounts in Post Office Savings Banks	1,190,220	1,262,763	1,318,632
Amount deposited in Savings Banks ₹	14,76,69,789	15,18,14,343	15,23,41,514
Average of each deposit	133·99	120·22	115·53
Net addition to deposits	77,43,529	41,44,554	5,27,171

*Excludes capital charge involved in redemption of liabilities.

§ Include remittances of the Gold Standard Reserve.

dix.

FINANCIAL STATISTICS
CELLANEOUS.

1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.	1914-1915, Revised.	1915-1916, Budget.
£ 606,641	£ 3,936,287	£ 3,940,334	£ 3,107,634	£ 2,312,423	...	...
...	...	...	...	...	£ 2,785,800	£ 2,957,100
£ 7,373,966	£ 10,119,093	£ 8,517,915	£ 10,221,224	£ 11,765,462	£ 11,713,800	£ 8,737,700
...	£ 5,904,100	...	...	...	...	...
...	...	£ 4,992	£ 114,894	£ 447,134	£ 363,400	£ 266,700
£ 10,408,347	£ 8,896,956	£ 1,823,173	£ 2,937,639	£ 118,200	£ 2,727,200	£ 2,008,700
£ 10,747,575	£ 12,654,438	£ 854,140	£ 2,373,391	£ 2,868,014	£ 5,656,600	£ 8,178,900
1,87,96,80,000	2,09,96,20,000	2,27,99,00,000	2,46,21,80,000	2,49,00,70,000	1,67,95,30,000(*b*)	
1,22,65,10,000	1,33,70,60,000	1,44,05,50,000	1,66,63,00,000	1,91,30,80,000	1,35,02,10,000(*b*)	
65,31,70,000	76,25,60,000	83,93,50,000	79,58,80,000	57,69,90,000	32,93,20,000	
21,67,90,000	23,97,90,000	37,76,00,000	34,00,10,000	23,32,40,000	6,88,50,000(*b*)	
9,44,50,000	8,63,00,000	5,33,70,000	17,19,90,000	13,03,30,000	8,16,60,000(*b*)	
31,12,40,000	32,60,90,000	43,09,70,000	51,20,00,000	36,35,70,000	15,05,10,000(*b*)	
34,19,30,000	43,64,70,000	40,83,80,000	28,38,80,000	21,34,20,000	17,88,10,000(*b*)	
3,54,54,20,000	3,90,53,00,000	4,35,89,00,000	4,85,31,20,000	4,90,33,80,000	3,27,78,00,000	
§40,54,12,663(*a*)	§40,02,50,114(*a*)	40,37,70,748(*a*)	38,49,88,178	§ 46,59,68,715	§ 11,24,43,000	10,65,00,000
§27,096,586(*a*)	§26,783,303(*a*)	27,058,549(*a*)	25,759,706	§31,200,827	§7,500,000	7,100,000
2,17,56,166	2,19,25,112	2,80,74,320	19,53,69,944	13,15,68,537	2,12,17,127	
24 1/16 (May)	26 1/4 (October)	27 1/8 (February)	29 3/4 (3rd December).	28 1/16 (22nd September).	27 1/4 (30th Apl.).	
23 1/16 (October)	23 11/16 (February)	23 1/16 (July)	26 1/16 (25th March)	25 1/16 (1st December).	22 1/8 (13th and 14th Novr.).	
1*s.* 4·041*d.*	1*s.* 4·061 *d.*	1*s.* 4·084*d.*	1*s.* 4·058*d.*	1*s.* 4·070*d.*	1*s.* 4·008*d.*	1*s.* 4*d.*
1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	
7 (from 1 to 28 Apl. & 3 to 31 March).	8 (from 23rd Feb. 1911 to 29th Mar. 1911)	8 (from 26th Jan. to 6th Mar.).	8 (from 9th Jan. to 12th Feb.).	7 (1st to 16th Apl. and 13th Nov. 1913 to 18th Mar. 1914).	6(1st to 30th Apl. and 5th Nov. to 31st Dec. 1914 and 1st Jan. to 13th March 1915).	
3 (from 1 July to 29 Sept.).	3 (from 1st July to 21st Sept.).	3 (from 3rd Aug. to 31st Aug. 1911).	3 (from 11th July to 11th Sept.).	3 (3rd July to 6th Aug.).	3(9th July to 5th Aug. 1914).	
5 (October 21st to Decr. 8th).	5 (Oct. 20th to Nov. 30th).	4 (from 21st Sept 1911 to 7th Feb. 1912).	5 (17th October 1912 to 31st March 1913).	5 (1st to 16th April and from 2nd October 1913 to 7th January 1914).	10 (from 1st to 5th Aug. 1914).	
2 1/2 (Apl. 1st to October 6th).	3 (June 9th to Sept. 28th and Mar. 9th to Mar. 31st).	3 (from 1st Apl. to 20th Sept. 1911).	3 (9th May to 28th August).	3 (29th January to 31st March 1914).	3 (from 1st Apl. to 29th July).	
4,58,77,000 (July)	4,10,08,000 (Sept.)	4,48,68,000 (Nov.)	5,65,10,000 (Mar.)	6,18,88,000 (Oct.)	10,12,86,000(Aug.)	
3,07,61,000 (Apl.)	3,53,92,000 (June)	3,68,74,000 (Feb.)	4,00,35,000 (Apl.)	4,85,95,000 (May)	4,84,04,000(Nov.)	
95—5 (24 Aug.)	96—10 (2nd Aug.)	96—14 (9th Dec.)	97—2 (3rd to 6th May).	96—12 (19th and 21st July).	96-1 (from 14th to 15th and 17th to 25th July 1914).	
92—12 (4 to 7 Dec.).	93—6 (7th Nov.)	94—12 (3rd & 4th Oct.).	94—12 (3rd & 6th Jan.).	94—14 (13th & 17th Oct.).	(*d*) 91-8 (13th and 15th March).	
82—0 (31 Aug. to 11 Nov.).	82—0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.).	82—0 (1st to 23rd Apl., 5th May to 24th Sept., 27th Sept. to 9th Oct. and 20th Nov. to 31st Mar.).	83—0 (7th May to 14th Oct.).	83—0 (2nd to 4th Sept. 1913 and from 26th Feb. to 31st March 1914).	83 (1st April to 4th Aug. 1914).	
79—12 (27 Nov.)	80—4 (5th Dec.)	81—0 (25th & 26th Sept. and 10th to 14th Oct.).	82—0 (1st to 24th Apl. & 24th Oct. 1912 to 31st March 1913).	82—0 (1st Apl. to 26th Aug.).	77 (31st Aug. to 3rd Sept. 1914).	
16,06,73,000 (Oct.)	15,07,31,000 (Apl.)	12,68,10,000 (Apl.)	11,65,48,000 (Apl.)	11,11,55,000 (Apl.)	9,96,09,000(Apl.)	
14,81,15,000 (Apl.)	12,78,50,000(Mar.)	11,73,04,000 (Mar.)	11,13,78,000 (Jan.)	10,08,74,000(Mar.)	9,74,68,000(Dec.)	
63 5/16 (Oct.)	64 9/16 (Feb.)	64 5/8 (Dec.)	64 3/4 (May)	64 5/8 (Feby.)	(*e*) 63 7/8 (May)	
61 7/8 (Apl.)	62 11/16 (Oct.)	63 1/2 (Oct.)	63 5/16 (Mar.)	63 1/2 (Apl.)	(*e*) 63 (July)	
100 3/8 (May)	97 1/8 (Feb.)	96 3/4 (Apl.)	94 11/16 (Apl.)	93 1/2 (Jan.)	90 1/2 (Apl.)	
95 (March)	92 3/8 (Sept.)	91 (Sept.)	89 (Mar.)	84 5/16 (Jan.)	(*e*) 83 (Jan.)	
90 1/2 (Apl.)	84 3/8 (Feb.)	84 3/16 (Apl.)	80 3/4 (Apl.)	80 3/4 (Jan.)	77 1/4 (Apl.)	
81 1/8 (March)	79 1/2 (Sept.)	78 5/8 (Sept.)	75 (Mar.)	71 1/2 (Dec.)	(*e*) 71 (Jan.)	
76 (Apl.)	70 7/8 (Feb.)	70 1/8 (Apl.)	67 1/2 (Apl.)	66 11/16 (Feby.)	64 (Apl.)	
69 (March)	66 (Sept.)	65 1/8 (Sept.)	62 9/16 (Mar.)	59 3/4 (Jan.)	(*e*) 58 (Jan.)	
54,40,84,000(Mar.)	59,16,45,000(July)	61,36,25,000(Mar.)	68,97,78,000(Mar.)	69,89,84,000(July)	75,44,53,000(July)	
43,64,99,000 (Apl.)	49,67,01,000 (Dec.)	54,68,58,000 (Apl.)	58,33,57,000 (Apl.)	61,79,95,000(Sept.)	60,25,94,000(Jan.)	
8,767	8,929	9,502	9,460	9,824		
1,378,916	1,430,451	1,500,834	1,566,860	1,638,725		
15,86,71,786	16,91,88,224	18,89,85,439	20,61,14,503	23,16,75,467		
115·07	118·28	125·92	131·55	141·38		
63,30,272	1,05,16,438	1,97,97,215	1,71,29,064	2,55,60,964		

(*a*) Include remittance of the Currency Department.
(*b*) Figures for 11 months (April to February).
(*c*) Minimum prices fixed by Stock Exchange Committee. The Stock Exchange was closed from 31st July 1914 to 3rd January 1915, and there were no official transactions during that period.
(*d*) Buyer's rate.
(*e*) No quotations since August 1914.

Appendix—*continued.*

Commercial and Financial Statistics.

Table II.—Capital Expenditure on State Railways in 1913-1914, and Estimated Expenditure on such works in 1914-1915 and 1915-1916, and to end of 1915-1916.

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Open Lines.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Agra-Delhi Chord	1,44,67,320	1,27,300	1,62,000	8,000	1,47,64,620	1,47,64,620	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	59,900	...	
Assam-Bengal (Construction)	9,18,12,307	48,72,534	50,65,000	32,80,000	10,50,29,841	10,50,29,841	...	
Ditto (Land)	48,00,112	3,17,201	4,57,000	...	55,74,313	55,74,313	...	
Baran-Kotah	46,47,772	...	...	...	46,47,772	46,47,772	...	
Bengal-Nagpur Railway	...	...	72,67,000	99,59,000	1,72,26,000	1,72,26,000	...	
Bezwada Extension	12,31,370	2,472	9,000	2,000	12,44,842	12,44,842	...	
Bhopal	39,41,322	82,145	60,000	19,000	41,02,467	41,02,467	...	
Bombay, Baroda and Central India	46,78,87,896	1,35,92,563	1,14,78,000	1,18,00,000	50,47,58,459	50,47,58,459	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	9,74,12,324	...	
Burma Railway Extensions	2,19,82,237	41,929	1,10,000	55,000	2,21,89,166	2,21,89,166	...	
Cawnpur-Banda	49,83,015	19,51,103	9,30,000	2,15,000	80,79,118	80,79,118	...	
Coonoor-Cotacamund	38,65,407	1,02,785	3,38,000	18,000	43,24,192	43,24,192	...	
Dharmapuri Hosur Extension	20,32,163	1,28,642	*—22,000*	...	21,38,805	21,38,805	...	
Dhone-Kurnool	10,06,675	2,075	3,000	5,000	10,16,750	10,16,750	...	
East Indian	48,34,69,675	2,52,10,934	3,49,34,000	1,03,50,000	55,39,64,609	55,39,64,609	...	
Eastern Bengal	26,64,60,536	1,38,76,615	1,91,68,000	1,23,54,000	31,18,59,151	31,18,59,151	...	
East Coast—Northern Section	3,09,29,430	...	...	...	3,09,29,430	3,09,29,430	...	
Frontier Railway Reserve Material	43,90,861	*—30,540*	...	...	43,60,321	43,60,321	...	
Carried over	1,50,53,80,322	6,02,77,758	7,99,59,000	4,80,65,000	1,69,36,82,080	1,69,36,82,080	...	

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward .	1,50,53,80,322	6,02,77,758	7,99,59,000	4,80,65,000	1,69,36,82,080	1,69,36,82,080	...	
Open Lines.								
Great Indian Peninsula System . .	35,36,35,198	3,11,57,330	2,74,37,000	3,09,15,000	44,31,44,528	44,31,44,528	...	
Jodhpur-Hyderabad (British Section)	42,42,650	1,29,312	95,000	43,000	45,09,962	45,09,962	...	
Jorhat	10,43,646	21,213	24,000	20,000	11,08,859	11,08,859	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	51,21,139	...	
Madras and Southern Mahratta Railway (Madras Section)	15,29,27,650	...	...	...	15,29,27,650	15,29,27,650	...	
North-Western	75,60,25,392	3,18,05,193	2,66,09,000	1,36,00,000	82,80,39,585	82,80,39,585	...	
Railway facilities at Delhi . .	...	...	7,50,000	2,00,000	9,50,000	9,50,000	...	
Rahoki Nurpur Khas conversion . .	...	...	...	7,00,000	7,00,000	7,00,000	...	
Oudh and Rohilkhand	26,48,45,387	71,11,014	45,96,000	21,88,000	27,87,40,401	27,87,40,401	...	
Petroleum Operations, Baluchistan . .	1,19,187	...	...	...	1,19,187	1,19,187	...	
Rohilkund and Kumaon Railway (Ganges bridge)	76,416	...	...	...	76,416	76,416	...	
South Indian	15,27,44,998	91,81,574	45,10,000	31,40,000	16,95,76,572	16,95,76,572	...	
Tinnevelly Quilon (British Section) .	44,19,271	237	—*49,000*	26,000	43,96,508	43,96,508	...	
Ditto (Native State Section) .	1,18,22,922	984	2,000	34,000	1,18,59,906	1,18,59,906	...	
Tirhoot Railway and Extensions .	7,74,34,116	15,02,323	6,36,000	80,000	7,96,52,439	7,96,52,439	...	
Chemical Laboratory, Kalimati . .	77,499	6,020	8,000	...	91,519	91,519	...	
„ „ Alipur . . .	44,090	51,523	10,000	...	1,05,613	1,05,613	...	
Warora Colliery	10,98,766	—*4,573*	...	...	10,94,193	10,94,193	...	
Total Open Lines .	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	

Appendix—*continued.*

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned Outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines brought forward .	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	
Lines under construction.								
Bokharo-Ramgarh Extension (East Indian Railway share)	4,25,729	4,53,466	1,86,000	93,000	11,58,195	50,01,852*	38,43,657	* This represents total sanctioned estimate of both sections I and II which are being constructed as joint lines of the East Indian and the Bengal Nagpur Railways.
Burdwan-Howrah	...	12,13,184	31,82,000	23,50,000	67,45,184	65,50,266	—1,94,918	
Itarsi-Nagpur and branch to Pench Valley Coalfields	1,65,89,401	39,79,228	32,50,000	50,00,000	2,88,18,629	3,37,05,415	48,86,786	
Laki-Pezu Tank	4,06,394	6,69,947	8,50,000	7,70,000	26,96,341	24,20,857	—2,75,484	
Lower Ganges Bridge Project . .	2,79,57,013	79,35,809	36,35,000	2,00,000	3,97,27,822	4,76,68,863	79,41,041	
Rajabhatkhawa-Dalsingpara . .	7,47,159	1,98,119	1,32,000	...	10,77,278	11,27,052	49,774	
Roserah-Shakarpura-Khagaria . .	12,65,815	5,84,143	3,74,000	1,00,000	23,23,958	26,19,232	2,95,274	
Southern Shan States	97,96,426	34,99,359	20,67,000	15,00,000	1,68,62,785	1,98,43,996†	29,81,211	† Work proceeding up to Aungban, for which the sanctioned estimate amounts to Rs. 1,42,23,372.
Dholka Dhanduka	...	...	...	5,00,000	5,00,000	... ‡	—5,00,000	‡ Estimates have not yet been sanctioned.
Panruti-Trichinopoly	...	...	...	15,00,000	15,00,000	... ‡	—15,00,000	
Vishnupur-Santragachi . . .	...	...	...	15,00,000	15,00,000	... ‡	—15,00,000	
Total Lines under construction .	5,71,87,937	1,85,33,255	1,36,76,000	1,35,13,000	10,29,10,192	11,89,37,533	1,60,27,341	
Total Open Lines, carried over	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	

Appendix—*continued.*

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines, brought forward .	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	
Total Lines under Construction, brought forward	5,71,87,937	1,85,33,255	1,36,76,000	1,35,13,000	10,29,10,192	11,89,37,533	1,60,27,341	
Lines in abeyance or Transferred to Companies, etc.								
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416	1,65,78,416	...	
Bilaspur-Etawah	75,132	...	...	...	75,132	75,132	...	
Nagpur-Chhattisgarh (Depreciation Account).	6,57,038	...	...	...	6,57,038	6,57,038	...	
Ranaghat-Bhagwangola	3,02,450	...	...	...	3,02,450	3,02,450	...	
Southern Mahratta (Depreciation on works, etc.)	5,27,071	...	...	...	5,27,071	5,27,071	...	
Umaria Colliery	1,82,672	...	...	...	1,82,672	1,82,672	...	
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035	2,45,035	...	
Total Lines in abeyance, etc. .	1,85,67,814	...	...	...	1,85,67,814	1,85,67,814	...	
Stores	27,45,664	—24,45,972	...	...	2,99,692	2,99,692	...	
Payments to Bengal Nagpur Railway Company for Capital Stock respecting which the holders exercised the option of transfer to the Secretary of State for India.	...	70,665	...	...	70,665	70,665	...	
Reserve	...	...	...	20,62,000	20,62,000	20,62,000	...	
GRAND TOTAL .	3,36,95,60,064	15,73,97,856	15,82,63,000	11,45,86,000	3,79,98,06,920	3,81,58,34,261	1,60,27,341	

Appendix—*continued.*

Railways.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total, brought forward	3,36,95,60,064	15,73,97,856	15,82,63,000	11,45,86,000	3,79,98,06,920	3,81,58,34,261	1,60,27,341	
Distributed as under—								
Capital Expenditure on Railways (not charged to Revenue)—								
State Railways—Construction*	2,30,57,78,624	15,72,48,001	15,82,61,000	11,45,66,000	2,73,58,53,625			
Redemption of Liabilities†	90,75,31,543	...	...	...	90,75,31,543			
Famine Relief and Insurance—								
Protective Railways	7,86,22,691	1,28,642	—22,000	...	7,87,29,333			
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	5,45,35,712	...	...	...	5,45,35,712			
Construction of Railways (charged to Provincial Revenues).	74,42,891	21,213	24,000	20,000	75,08,104			
Other Expenditure charged against Revenue.	1,56,48,603	...	...	...	1,56,48,603			
Total as above	3,36,95,60,064	15,73,97,856	15,82,63,000	11,45,86,000	3,79,98,06,920	3,81,58,34,261	1,60,27,341	

* Includes debentures raised by Companies—

Bombay, Baroda and Central India Railway	1,43,90,464	...	4,50,000	.....	1,48,40,464
East Indian Railway	21,88,09,015	...	.....	5,25,00,000	27,13,09,015
Great Indian Peninsula Railway	4,87,97,364	...	.....	4,50,00,000	9,37,97,364
South Indian Railway	2,27,07,237	...	3,44,28,000	.....	5,71,35,237
Capital contributed by the Jaipur Durbar towards outlay on the Nagda Muttra Railway.	10,00,000	30,00,000	10,00,000	10,00,000	60,00,000
Bombay, Baroda and Central India Railway Contribution from Provident Fund.	2,00,000	5,20,000	6,35,000	5,00,000	18,55,000
Total	30,59,04,080	35,20,000	3,65,13,000	9,90,00,000	44,49,37,080

†

	Rs.
Bombay, Baroda and Central India Railway	18,72,06,696
East Indian Railway	18,05,98,229
Eastern Bengal Railway	3,10,54,458
Great Indian Peninsula Railway	8,88,35,250
Madras and Southern Mahratta Railway	3,21,72,000
North Western Railway	7,36,74,320
Oudh and Rohilkhand Railway	15,50,40,735
South Indian Railway	7,03,88,355
Indian Midland Railway	8,85,61,500
Total	90,75,31,543

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1913-14, and Estimated Expenditure on such works in 1914-15, and 1915-16, and to the end of 1915-16.

	Actual outlay to end of 1912-13.	Accounts, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Total actual and estimated outlay to end of 1915-16.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
PRODUCTIVE WORKS. CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.	R	R	R	R	R	R	R
Central Provinces.							
Wainganga Canal	4,54,058	7,58,397	9,33,000	9,96,000	31,41,455	36,88,045	5,46,590
Mahanadi Canal	6,95,392	13,58,167	15,08,000	18,12,000	53,73,559	96,09,475	42,35,916
Asola Mendha Tank	13,18,739	1,39,486	1,22,000	1,32,000	17,12,225	17,30,346	18,121
Burma.							
Mandalay Canal	52,16,006	3,24,978	3,53,000	1,70,000	60,63,984		
Shwebo Canal	57,25,024	—16,667	34,000	—12,000	57,30,357		
Mon Canal	52,27,576	67,027	78,000	1,30,000	55,02,603		
Ye-u Canal	15,90,238	4,50,543	6,11,000	6,37,000	32,88,781	48,04,988	15,16,207
Twante Canal	37,32,595	10,66,415	7,52,000	8,00,000	63,51,010	98,86,218	25,35,208
Bengal.							
Midnapur Canal	83,08,952	180	...	13,000	83,22,132		
Hijili Tidal Canal	25,50,805	...	...	...	25,50,805		
Bihar.							
Orissa Canals	2,62,45,222	1,24,071	90,000	24,000	2,64,83,293		
Sone Canal	2,58,91,493	30,864	30,000	30,000	2,59,82,357		
United Provinces.							
Ganges Canal, including Mat and Hathras Branches	3,34,07,138	10,42,151	9,06,000	9,72,000	3,63,27,289		
Lower Ganges Canal	3,87,91,488	23,678	18,000	18,000	3,88,51,166		
Agra Canal	1,12,01,696	57,047	1,15,000	77,000	1,14,50,743	1,15,42,103	91,360
Eastern Jumna Canal	47,86,247	46,280	22,000	47,000	49,01,527		
Dun Canal*	13,12,119	—5,008	7,000	15,000	13,59,111		
Bijnor Canal*	2,87,048	18,434	6,000	6,000	3,17,482		
Sarda Canal	1,879	86,172	2,26,000	2,12,000	5,26,051	5,79,420	53,369
Punjab.							
Western Jumna Canal	1,66,67,680	1,28,865	75,000	3,00,000	1,71,71,545		
Upper Bari Doab Canal	2,04,84,374	2,28,046	6,20,000	5,50,000	2,18,82,420		
Lower ditto	1,63,25,698	20,40,626	14,51,000	11,28,000	2,09,45,324	2,16,69,940	7,24,616
Sirhind Canal	2,40,92,170	98,149	4,50,000	3,48,000	2,49,88,319		
Upper Chenab Canal	2,87,82,373	19,55,334	16,44,000	13,50,000	3,37,31,707	3,61,31,583	23,99,876
Lower ditto	3,01,77,166	2,66,420	4,50,000	5,00,000	3,13,93,586		
Upper Jhelum Canal	3,08,10,171	51,53,607	32,50,000	21,00,000	4,13,13,778	4,29,40,282	16,26,504
Lower ditto	1,55,77,782	226	50,000	1,00,000	1,57,28,008	1,83,95,782	26,67,774
Indus Inundation Canals	26,98,704	44,099	4,000	10,000	27,56,803		
North-West Frontier Province.							
Paharpur Inundation Canal	9,05,444	...	...	...	9,05,444	9,13,004	7,560
Upper Swat River Canal	1,13,90,255	34,27,594	26,45,000	13,90,000	1,88,52,849		
Lower ditto	41,32,029	2,149	3,000	10,000	41,47,178		
Kabul River Canal*	10,68,576	33,583	2,000	...	11,04,159	11,10,249	6,090
Madras.							
Godavari Delta System	1,25,33,104	1,26,294	82,000	1,66,000	1,29,07,398	1,32,19,221	3,11,823
Kistna Delta System	1,50,18,469	12,298	1,14,000	68,000	1,52,12,707	1,54,89,071	2,76,364
Penner River Canals System	56,51,471	22,515	13,000	12,000	56,98,986	57,00,408	1,422
Periyar Project	1,01,61,363	44,290	53,000	29,000	1,02,87,653	1,02,98,832	11,179
Cauvery Delta System	38,96,875	50,525	81,000	87,000	41,15,400	41,54,023	38,623
Kurnool Cuddapah Canal	2,26,08,864	7,763	45,000	64,000	2,27,25,627	2,30,20,029	2,94,402
Nagavalli River Project	15,35,494	31,306	42,000	46,000	16,54,800	17,55,412	1,00,612
Divi Island Project	18,38,062	5,782	20,000	39,000	19,02,844	20,77,665	1,74,821
Lower Coleroon Anicut*	18,24,397	—984	...	...	18,23,413		
Shatiatope Anicut *	8,83,305	23,534	...	...	9,06,839		
Toludur Project	...	28,926	3,10,000	6,57,000	9,95,926	22,13,000	12,17,074
Bombay.							
Desert Canal	26,40,891	...	...	...	26,40,891	26,91,689	50,798
Begari Canal	22,61,724	13,217	93,000	84,000	24,51,941	25,30,982	79,041
Eastern Nara Works	65,82,484	2,330	4,000	1,85,000	67,73,814	69,31,165	1,57,351
Jamrao Canal	81,47,933	23,871	17,000	—5,000	81,83,804	83,53,288	1,74,484
Dad Canal	24,20,982	44,756	75,000	10,000	25,50,738	29,07,389	3,56,651
Mutha Canal	74,01,972	1,179	1,000	...	74,04,151	...	...
Sukkur Barrage and Rohri Canal Project	...	—284	...	...	—284	...	...
Other Projects	1,49,14,427	73,316	2,02,000	2,38,000	1,54,27,743		
Reserve	...	...	...	10,53,000	10,53,000		
Total Productive Works	50,02,07,894	1,94,61,547	1,76,07,000	1,65,98,000	55,38,74,441		
Carried over	50,02,07,894	1,94,61,547	1,76,07,000	1,65,98,000	55,38,74,441		

* Transferred to "49" from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1913-14, and Estimated Expenditure on such works in 1914-15, and 1915-16, and to the end of 1915-16.

	Actual outlay to end of 1912-1913.	Accounts, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Total actual and estimated outlay to end of 1915-16.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	R	R	R	R	R	R	R
Brought forward	50,02,07,894	1,94,61,547	1,76,07,000	1,65,98,000	55,38,74,441		
PROTECTIVE WORKS.							
Central Provinces.							
Tindula Canal	21,77,349	14,25,838	10,88,000	11,41,000	58,32,187	95,73,587	37,41,400
Tank Projects	73,45,412	4,30,915	6,70,000	6,72,000	91,18,327		
Bihar.							
Tribeni Canal	66,27,136	4,50,607	1,78,000	1,85,000	74,40,743	78,49,661	4,08,918
United Provinces.							
Betwa Canal (including Dukwa weir)	78,58,908	61,153	26,000	31,000	79,77,061	79,99,553	22,492
Ken Canal	49,77,586	2,95,038	2,78,000	2,87,000	58,37,624	74,52,886	16,15,262
Dassan Canal	44,12,397	1,50,982	62,000	35,000	46,60,379		
Ghaggar Canal	2,57,096	6,00,128	6,78,000	5,80,000	21,15,224	33,22,950	12,07,726
Ghori Nadi Scheme	2,79,004	54,176	73,000	...	4,06,180		
Majhgawan Tank	24,279	1,97,157	76,000	13,000	3,10,436		
Madras.							
Rushikulya Project	46,39,233	17,668	14,000	...	46,70,901	46,87,980	17,079
Mopad Project	5,74,809	2,13,610	3,29,000	3,52,000	14,69,419	20,53,877	5,84,458
Venkatapuram Tank Project	2,43,174	67,252	32,000	3,000	3,45,426		
Bombay.							
Godaveri Canal	81,02,443	5,37,188	4,31,000	2,67,000	93,37,631		
Chankapur Tank	16,71,077	38,910	60,000	49,000	18,18,987		
Nira Canal (including Shetphal Tank)	60,81,499	10,740	4,000	1,000	60,97,239	64,86,344	3,89,105
Budhihal Tank	4,90,039	456	...	...	4,90,495	13,98,529	9,08,034
Pravara River Project	31,60,676	9,86,744	8,81,000	10,53,000	60,81,420	81,36,368	20,54,948
Nira Right Bank Canal	5,96,556	26,77,914	32,27,000	32,00,000	97,01,470	2,49,71,868	1,52,70,398
Other Projects.	41,05,687	1,03,794	1,67,000	2,76,000	46,52,481		
Probable savings	...	...	...	*—10,00,000*	*—10,00,000*		
Total Protective works	6,36,24,360	83,20,270	82,74,000	71,45,000	8,73,63,630		
Grand Total, Major Works	56,38,32,254	2,77,81,817	2,58,81,000	2,37,43,000	64,12,38,071		
Distributed as under—							
(1) Capital expenditure on Irrigation (not charged to revenue)	48,25,14,550	1,92,33,925	1,74,46,000	1,65,00,000	53,56,94,475		
(2) Famine Relief and Insurance—Protective Irrigation Works	6,39,00,769	83,20,270	82,74,000	71,45,000	8,76,40,039		
(3) Other outlay from ordinary revenues	1,74,16,935	2,27,622	1,61,000	98,000	1,79,03,557		
GRAND TOTAL AS ABOVE	56,38,32,254	2,77,81,817	2,58,81,000	2,37,43,000	64,12,38,071		

Appendix—*continued.*

Commercial and Financial Statistics.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1913-1914, with Revised Estimates for 1914-1915 and Budget Estimates for 1915-1916.

(Omitting 000, except in accounts.)

State Railways.	Accounts.					Revised Estimate, 1914-1915.	Budget Estimate, 1915-16.
	1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	*24,066	*24,604	*24,873	*25,200	25,437	26,106	26,379
Gross Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal	49,62,475	52,65,372	57,94,913	66,32,724	70,40,639	68,00	70,00
Bengal-Nagpur	2,91,40,430	3,09,98,814	3,43,74,985	4,03,42,071	4,10,31,142	4,05,00	4,05,00
Bezwada Extension	3,12,154	3,42,614	3,54,266	3,84,244	2,94,355	4,40	4,40
Bombay, Baroda and Central India System	5,00,31,701	5,46,98,694	6,01,33,008	6,40,21,332	6,58,93,295	6,25,00	6,15,00
Burma	1,82,14,382	1,86,56,276	1,96,08,933	2,07,76,957	2,23,60,428	2,15,00	2,14,00
Burma Railway Extensions	11,83,592	13,33,726	14,68,975	17,32,205	21,84,418	17,40	19,00
Southern Shan States	...	...	...	16,887	33,020	60	60
Eastern Bengal	2,78,33,207	2,87,32,327	3,19,58,673	3,51,18,860	3,73,92,387	3,25,00	3,31,00
East Indian	8,08,60,767	8,79,77,711	9,24,96,744	10,25,72,586	10,17,07,428	10,36,00	10,15,00
Great Indian Peninsula including Indian Midland	6,58,01,734	6,72,19,252	7,46,52,396	7,94,91,613	8,55,08,945	7,60,00	7,50,00
Agra-Delhi Chord	14,74,866	17,65,732	20,67,879	28,98,758	23,09,274	31,00	26,00
Bhopal	4,68,717	5,70,168	5,58,428	9,21,470	7,05,991	4,80	5,00
Baran-Kotah	48,152	1,03,829	1,58,809	2,28,678	1,77,507	1,40	1,50
Cawnpore-Banda	...	...	...	...	...	80	3,00
Jodhpur-Hyderabad (British Section)	8,38,085	9,11,724	12,63,365	13,81,799	13,36,295	10,00	12,00
Lucknow-Bareilly	16,09,764	18,55,706	20,14,664	21,63,009	23,56,789	20,00	20,00
North Western	7,13,05,408	7,36,47,723	8,23,59,967	8,82,12,116	8,69,96,146	8,20,00	8,20,00
Oudh and Rohilkhand	1,60,65,818	1,90,73,555	2,13,76,309	2,43,64,792	2,40,89,233	2,05,00	2,02,00
Hardwar-Dehra	3,79,351	3,94,918	4,54,183	4,45,053	4,85,346	4,50	4,50
Madras and Southern Maharatta Railway	2,99,76,511	3,09,39,822	3,40,03,129	3,63,50,208	3,81,21,165	3,74,00	3,70,00
Mysore State lines	28,65,053	28,68,732	31,36,594	36,75,718	38,25,763	37,00	36,00
Dhone-Kurnool	1,20,354	98,234	1,16,729	1,19,518	1,23,739	1,00	1,00
South Indian	2,18,74,339	2,29,00,546	2,53,82,260	2,75,45,053	2,80,67,080	2,73,00	2,75,00
Tinnevelly-Quilon	6,45,739	7,03,544	7,79,707	8,25,023	9,03,391	8,85	8,00
Tirhoot	77,47,023	82,93,536	90,52,105	99,47,877	1,01,20,998	97,00	92,00
Total Imperial	43,37,59,622	45,93,47,555	50,35,67,021	55,01,68,551	56,30,64,774	53,44,75	53,00,00
Provincial.							
Jorhat	95,895	95,331	1,16,465	1,22,589	1,23,805	1,15	1,20
Total India	43,38,55,517	45,94,42,886	50,36,83,486	55,02,91,140	56,31,88,579	53,45,90	53,01,20
England.							
Bengal-Nagpur	...	...	...	...	...	3	
East Indian	3,450	3,450	3,450	4,313	3,450	3	3
Total England	3,450	3,450	3,450	4,313	3,450	6	6
Grand Total	43,38,58,967	45,94,46,336	50,36,86,936	55,02,95,453	56,31,92,029	53,45,96	53,01,26

* Revised.

Appendix—*continued.*

State Railways.	Accounts.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.		
Net Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal	4,94,350	8,45,408	12,57,471	19,64,044	22,73,989	16,50	19,50
Bengal-Nagpur	1,36,47,536	1,44,86,622	1,74,64,289	2,18,70,125	2,14,58,253	2,03,78	1,95,45
Bezwáda Extension	1,52,555	1,58,253	1,40,816	1,84,265	1,18,623	2,00	2,20
Bombay, Baroda and Central India System	2,49,51,007	2,74,38,715	3,01,59,693	3,15,88,376	3,30,34,621	2,94,84	2,91,53
Burma Railways	64,68,423	67,77,771	74,00,623	85,64,888	1,05,71,446	91,80	94,00
Burma Railway Extensions	4,37,263	4,75,797	5,88,105	7,16,009	10,16,827	5,40	7,50
Southern Shan States	...	...	...	11,562	—6,046	*—20*	*—16*
Eastern Bengal	97,46,010	1,19,17,258	1,34,25,030	1,39,12,400	1,68,52,302	1,04,87	1,19,22
East Indian	4,93,30,507	5,32,88,010	5,46,40,364	6,40,08,215	6,02,98,231	6,29,25	5,96,25
Great Indian Peninsula including Indian Midland	2,97,39,971	2,80,73,472	3,44,50,025	3,42,34,876	3,38,80,004	2,68,65	2,58,23
Agra-Delhi Chord	6,22,197	7,52,602	8,63,294	13,29,173	9,21,034	11,04	12,10
Bhopal	1,98,456	2,47,994	2,50,159	4,15,136	2,78,970	1,45	1,69
Baran-Kotah	23,181	52,720	79,404	1,16,522	88,753	70	80
Cawnpore-Banda	...	...	...	...	...	43	1,28
Jodhpur-Hyderabad (British Section)	3,57,984	4,03,909	7,00,730	7,35,460	6,67,118	4,00	5,00
Lucknow-Bareilly	7,01,574	10,61,844	10,69,870	12,08,886	13,33,090	10,50	10,00
North Western	1,95,14,073	2,93,75,345	3,54,74,591	3,82,80,358	3,74,26,579	3,01,00	3,01,20
Oudh and Rohilkhand	64,46,386	96,62,892	1,15,54,500	1,33,17,987	1,23,35,988	88,00	89,15
Hardwar-Dehra	1,89,676	1,97,459	2,27,092	2,22,527	2,42,673	2,25	2,25
Madras and Southern Mahratta Railway	1,15,84,523	1,22,69,874	1,49,99,815	1,64,01,192	1,65,99,363	1,59,60	1,60,00
Mysore State lines	11,77,386	11,09,924	13,34,865	16,48,844	16,54,915	15,50	14,50
Dhone-Kurnool	41,800	33,999	24,719	44,828	44,871	25	36
South Indian	1,03,68,773	1,07,98,906	1,24,87,158	1,28,03,027	1,18,03,549	1,12,70	1,22,31
Tinnevelly-Quilon	2,92,219	3,29,722	3,47,738	3,69,783	3,55,801	2,45	2,76
Tirhoot	41,55,194	48,15,464	57,65,053	60,73,311	63,12,137	58,00	53,00
Reserve	...	...	...	...	...	*—2,14*	*—46,10*
Total Imperial	19,06,41,044	21,45,73,954	24,47,05,404	27,00,21,794	26,95,63,091	23,82,62	23,14,00
Provincial.							
Jorhat	—289	14,505	32,358	38,043	34,306	8	24
Total India	19,06,40,755	21,45,88,459	24,47,37,762	27,00,59,837	26,95,97,397	23,82,70	23,14,24
England.							
Bengal-Nagpur	...	...	...	...	...	3	3
East Indian	3,450	3,450	3,450	4,313	3,450	3	3
Total England	3,450	3,450	3,450	4,313	3,450	6	6
Grand Total	19,06,44,205	21,45,91,909	24,47,41,212	27,00,64,150	26,96,00,847	23,82,76	23,14,30

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V. Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16.

	Actuals.					Revised Estimate, 1914-15	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
DIRECT RECEIPTS—							
Mandalay canal	2,91,443	2,86,156	2,94,909	3,13,630	3,14,862	3,10,000	3,00,000
Shwebo canal	5,19,267	5,34,592	6,20,521	6,19,968	6,73,000	6,60,000	6,60,000
Midnapore canal	2,02,123	2,07,396	2,15,470	2,20,782	2,10,152	2,09,000	2,03,000
Hijili Tidal canal	63,742	55,357	62,657	53,136	36,427	31,000	37,000
Orissa canals	5,27,884	5,17,673	5,37,234	5,36,437	5,20,053	5,44,000	5,50,000
Sone canals	18,95,202	17,69,789	16,95,488	17,18,502	19,61,859	17,10,000	18,44,000
Ganges canal (including Hathras Branch)	37,41,594	35,28,071	34,48,523	35,55,282	38,86,390	40,22,000	38,95,000
Lower Ganges canal	23,85,462	26,54,428	27,91,733	23,39,516	29,48,277	33,10,000	26,45,000
Ditto Fatehpur Branch	3,45,349						
Agra canal	8,02,427	7,40,050	6,60,252	7,38,129	8,48,157	8,33,000	7,66,000
Eastern Jumna canal	14,53,383	12,64,610	12,30,994	11,93,475	14,87,717	15,38,000	13,58,000
† Dun canal	1,16,223	1,15,654	1,00,842	96,716	1,17,472	1,21,000	1,06,000
† Bijnor canal	30,111	31,665	27,888	34,147	37,073	45,000	30,000
Betwa canal	2,86,365	1,83,900	2,28,513	1,53,476	2,44,791	1,10,000	1,95,000
Western Jumna canal	21,64,690	20,67,901	23,50,104	27,36,295	33,15,029	30,00,000	30,00,000
Upper Bari Doab canal	35,33,808	35,80,939	38,33,926	43,46,274	43,06,606	40,00,000	40,50,000
Sirhind canal	21,04,786	20,23,490	30,60,221	46,01,159	40,52,176	39,00,000	38,00,000
Lower Chenab canal	84,95,508	90,10,924	86,28,091	92,75,472	84,24,935	83,00,000	85,00,000
Lower Jhelum canal	21,04,205	23,14,947	22,77,355	26,33,017	27,59,425	27,30,000	27,50,000
Indus Inundation canals	1,78,155	1,72,463	2,76,057	2,28,192	2,37,866	2,30,000	2,00,000
Lower Swat River canal	5,67,754	5,44,662	5,50,387	6,17,160	6,20,190	6,12,000	6,25,000
Kabul River canal	1,63,762	1,56,353	1,45,008	1,75,901	1,86,660	2,03,000	1,90,000
Godavari Delta system	1,27,098	1,29,856	1,25,557	1,35,736	1,24,184	1,74,000	1,30,000
Kistna " "	88,683	88,473	82,948	92,605	97,152	87,000	90,000
Cauvery " "	4,549	6,000	4,576	6,441	4,589	5,000	4,000
Penner River canals	2,074	3,274	3,028	3,326	4,734	4,000	4,000
Periyar project	10,241	13,803	8,785	12,234	5,604	7,000	7,000
Rushikulya project	2,777	1,309	1,473	1,456	1,586	2,000	2,000
Lower Coleroon anicut system	2,320	2,187	1,281	2,021	2,435	2,000	1,000
Shatiatope anicut "	815	498	701	574	901	1,000	...
Desert canal	1,01,774	91,208	85,707	96,142	86,359	87,000	90,000
Begari "	43,131	35,717	10,826	10,723	36,288	41,000	41,000
Eastern Nara works	23,572	23,572	26,486	20,608	18,719	17,000	20,000
Jamrao canal	20,238	27,066	29,310	28,919	57,856	28,000	28,000
Mutha canals	3,54,618	3,96,247	4,33,565	3,59,687	3,91,756	3,70,000	3,50,000
Nira canal	4,01,109	3,20,314	4,36,893	5,04,980	5,42,333	5,24,000	4,93,000
Other projects	14,49,919	14,20,214	14,35,679	16,00,030	29,25,872	33,06,000	43,98,000
TOTAL	3,46,06,161	3,43,20,758	3,57,22,988	3,91,12,179	4,14,89,485	4,10,73,000*	4,13,62,000*
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Mandalay canal	53,648	51,637	51,713	53,341	52,604	53,000	53,000
Shwebo canal	42,934	65,758	86,540	1,17,105	1,26,718	1,39,000	1,50,000
Ganges canal	9,29,409	9,35,716	9,43,958	9,52,179	9,62,748	9,62,000	9,62,000
Lower Ganges canal	4,29,702	4,43,493	4,58,555	4,73,573	4,95,868	4,96,000	4,96,000
Ditto Fatehpur Branch	388						
Eastern Jumna Canal	2,53,952	2,53,952	2,53,952	2,53,952	2,53,952	2,54,000	2,54,000
† Dun canal	24,980	24,980	24,980	24,980	24,980	25,000	25,000
† Bijnor canal	14,984	14,984	14,984	14,984	14,984	15,000	15,000
Carried over	17,49,997	17,90,520	18,34,682	18,90,114	19,31,854	19,44,000	19,55,000

* Excluding Civil Officer's figures as under :—

	Revised.	Budget.
	R	R
United Provinces	1,75,000	1,75,000
Punjab	5,000	1,000
Total	1,80,000	1,76,000

† Transferred to 49, from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16—*continued.*

	Actuals.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PORTION OF LAND REVENUE DUE TO IRRIGATION—*contd.*							
Brought forward	17,49,997	17,90,529	18,34,682	18,90,114	19,31,854	19,44,000	19,55,000
Western Jumna canal	130	2,75,586	2,23,412	2,22,604	2,21,397	2,25,000	2,25,000
Upper Bari Doab canal	3,25,331	3,25,187	3,26,150	3,38,432	5,91,597	5,00,000	6,00,000
Sirhind Canal	...	...	...	9,722	35,437	35,000	35,000
Lower Chenab canal	16,99,083	17,07,676	41,42,468	53,98,437	70,56,188	69,60,000	73,00,000
Lower Jhelum canal	4,03,369	4,93,381	4,87,614	15,37,592	15,47,514	15,50,000	15,60,000
Indus Inundation canals	2,74,563	2,72,619	2,78,279	2,68,036	2,67,940	2,70,000	2,70,000
Lower Swat River canal	50,376	50,568	50,601	50,596	50,652	51,000	51,000
† Kabul River canal	5,436	5,649	14,869	10,803	11,875	10,000	11,000
Godavari Delta System	34,04,419	33,75,550	38,02,481	38,98,412	37,64,330	37,93,000	37,93,000
Kistna „ „	32,62,547	32,92,091	33,31,473	33,84,867	34,90,756	34,20,000	34,53,000
Cauvery „ „	9,37,519	9,40,219	9,97,224	10,13,223	9,74,332	9,92,000	9,92,000
Penner River canals	4,08,308	5,79,763	5,38,177	5,85,754	5,38,303	5,38,000	5,81,000
Periyar project	5,34,958	5,34,393	5,49,381	5,65,553	5,68,296	5,66,000	5,77,000
Rushikulya Project	1,16,318	1,36,833	1,45,868	1,63,915	1,89,488	1,90,000	1,90,000
† Lower Coleroon anicut system	2,81,959	2,78,803	2,79,648	2,84,214	2,71,658	2,83,000	2,83,000
† Shatiatope anicut „	1,00,733	1,01,874	1,03,736	1,02,813	87,694	1,04,000	1,04,000
Desert canal	2,29,577	2,51,332	2,09,297	2,39,402	2,26,053	2,40,000	2,50,000
Begari „	4,80,083	4,57,215	1,53,850	1,86,310	4,78,371	5,00,000	5,04,000
Eastern Nara Works	5,28,887	5,88,428	6,13,899	6,19,328	5,82,075	6,25,000	6,21,000
Jamrao canal	5,57,629	6,42,662	6,68,637	7,76,269	7,39,999	6,52,000	6,52,000
Mutha canal	*—10,117*	*—12,088*	*—14,020*	*—9,168*	*—11,646*	...	...
Nira canal	*—19,764*	*—15,768*	*—21,638*	*—25,021*	*—26,702*	...	...
Other projects	14,39,479	15,97,585	15,55,889	15,61,460	16,78,153	20,10,000	21,36,000
TOTAL	1,67,60,820	1,76,70,078	2,02,71,977	2,30,73,667	2,52,35,614	2,54,58,000	2,61,43,000
TOTAL REVENUE—							
Mandalay canal	3,45,091	3,37,793	3,46,622	3,66,971	3,67,466	3,63,000	3,53,000
Shwebo canal	5,62,201	6,00,350	7,07,061	7,37,073	7,99,718	7,99,000	8,10,000
Midnapur canal	2,02,123	2,07,396	2,15,470	2,20,782	2,10,152	2,09,000	2,03,000
Hijili Tidal canal	63,742	55,357	62,657	53,136	36,427	31,000	37,000
Orissa canals	5,27,884	5,17,673	5,37,234	5,36,467	5,20,053	5,44,000	5,50,000
Sone canals	18,95,202	17,69,789	16,95,488	17,18,503	19,61,859	17,10,000	18,44,000
Ganges canal (including Hathras Branch)	46,71,003	44,63,787	43,92,481	45,07,461	48,49,138	49,84,000	48,57,000
Lower Ganges canal	28,15,164	30,97,921	32,50,288	28,13,089	34,44,145	38,06,000	31,41,000
Ditto Fatehpur Branch	3,45,737						
Agra canal	8,02,427	7,40,050	6,60,252	7,38,129	8,48,157	8,33,000	7,66,000
Eastern Jumna canal	17,07,335	15,18,562	14,84,946	14,47,427	17,41,669	17,92,000	16,12,000
† Dun canal	1,41,203	1,40,634	1,25,822	1,21,696	1,42,452	1,46,000	1,31,000
† Bijnor canal	45,095	46,649	42,872	49,131	52,057	60,000	45,000
Betwa canal	2,86,365	1,83,900	2,28,513	1,53,476	2,44,791	1,10,000	1,95,000
Western Jumna canal	21,64,820	23,43,487	25,73,516	29,58,899	35,36,426	32,25,000	32,25,000
Upper Bari Doab canal	38,59,139	39,06,126	41,60,076	46,84,706	48,98,203	45,00,000	46,50,000
Sirhind canal	21,04,786	20,23,490	30,60,221	46,10,881	40,87,613	39,35,000	38,35,000
Lower Chenab canal	1,01,94,591	1,07,18,600	1,27,70,559	1,46,73,909	1,54,81,123	1,52,60,000	1,58,00,000
Lower Jhelum canal	25,07,574	28,08,328	27,64,969	42,20,609	43,06,939	42,80,000	43,10,000
Indus Inundation canals	4,52,718	4,45,082	5,54,336	4,96,228	5,05,806	5,00,000	4,70,000
Lower Swat River canal	6,18,130	5,95,230	6,00,988	6,67,756	6,70,842	6,63,000	6,76,000
† Kabul river canal	1,69,198	1,62,002	1,59,877	1,86,704	1,98,535	2,13,000	2,01,000
Godavari Delta System	35,31,517	35,05,406	39,28,038	40,34,148	38,88,514	39,67,000	39,23,000
Kistna „ „	33,51,230	33,80,564	34,14,421	34,77,472	35,87,908	35,07,000	35,43,000
Carried over	4,33,64,275	4,35,68,176	4,77,36,707	5,34,74,653	5,63,79,993	5,54,37,000	5,51,77,000

† Transferred to 49, from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16—*continued.*

	Actuals.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.*	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TOTAL REVENUE—*concld.*							
Brought forward	4,33,64,275	4,35,68,176	4,77,36,707	5,34,74,653	5,63,79,993	5,54,37,000	5,51,77,000
Cauvery Delta System	9,42,068	9,46,219	10,01,800	10,19,664	9,78,921	9,97,000	9,96,000
Penner River canals	4,10,382	5,83,037	5,41,205	5,89,080	5,43,037	5,42,000	5,85,000
Periyar Project	5,45,199	5,48,196	5,58,166	5,77,787	5,73,900	5,73,000	5,84,000
Rushikulya Project	1,19,095	1,38,142	1,47,341	1,65,371	1,91,074	1,92,000	1,92,000
†Lower Coleroon anicut system	2,84,279	2,80,990	2,80,929	2,86,235	2,74,093	2,85,000	2,84,000
†Shatiatope anicut system	1,01,548	1,02,372	1,04,437	1,03,387	88,595	1,05,000	1,04,000
Desert canal	3,31,351	3,42,540	2,95,004	3,35,544	3,12,412	3,27,000	3,40,000
Begari „	5,23,214	4,92,932	1,64,676	1,97,033	5,14,659	5,41,000	5,45,000
Eastern Nara works	5,52,459	6,12,000	6,40,385	6,39,936	6,00,794	6,42,000	6,41,000
Jamrao canal	5,77,867	6,69,728	6,97,947	8,05,188	7,97,855	6,80,000	6,80,000
Mutha canal	3,44,501	3,84,159	4,19,545	3,50,519	3,80,110	3,70,000	3,50,000
Nira canal	3,81,345	3,04,546	4,15,255	4,79,959	5,15,631	5,24,000	4,93,000
Other Projects	28,89,398	30,17,799	29,91,568	31,61,490	46,04,025	53,16,000	65,34,000
TOTAL	5,13,66,981	5,19,90,836	5,59,94,965	6,21,85,846	6,67,55,099	6,65,31,000	6,75,05,000
WORKING EXPENSES—							
Mandalay canal	81,457	94,787	81,603	89,540	61,411	2,90,000	1,35,000
Shwebo canal	1,37,721	1,66,463	2,10,659	2,31,703	2,70,051	3,36,000	2,95,000
Midnapore canal	2,21,375	1,90,318	2,43,964	2,06,943	1,78,785	1,58,000	1,97,000
Hijili Tidal canal	55,740	74,508	33,122	28,774	1,19,004	1,00,000	70,000
Orissa canal	4,44,664	4,47,819	4,06,871	4,45,382	5,05,785	5,18,000	5,01,000
Sone canal	7,04,989	7,15,221	6,58,557	7,55,611	7,28,937	7,26,000	7,86,000
Ganges canal	12,97,630	11,86,609	12,22,142	11,10,827	11,91,519	9,79,000	9,48,000
Lower Ganges canal	10,08,748	11,18,824	10,39,189	10,14,594	10,17,056	9,82,000	9,96,000
„ Fatehpur Branch	1,34,651						
Agra canal	3,83,954	3,34,822	3,36,986	3,24,778	3,16,625	2,98,000	2,97,000
Eastern Jamna canal	4,83,584	4,38,285	4,05,534	3,62,687	3,59,446	3,69,000	3,57,000
†Dun canal	1,33,133	1,06,572	80,845	56,500	49,628	87,000	79,000
†Bijnor canal	21,395	21,303	26,698	28,065	25,788	24,000	22,000
Betwa canal	1,17,460	1,31,059	1,56,583	1,83,789	2,33,008	2,09,000	2,14,000
Western Jumna canal	10,61,811	10,43,129	11,49,041	10,87,704	12,94,029	12,57,000	14,04,000
Upper Bari Doab canal	13,24,386	13,26,549	16,32,005	17,11,363	14,46,549	13,57,000	14,04,000
Sirhind canal	8,28,628	8,45,564	9,29,748	9,92,932	11,39,195	11,56,000	11,04,000
Lower Chenab canal	23,37,425	22,67,303	23,70,127	24,24,855	21,96,088	20,07,000	21,56,000
Lower Jhelum canal	8,00,166	8,29,014	9,94,308	9,51,611	9,19,689	8,46,000	9,54,000
Indus Inundation canals	6,88,949	6,76,704	4,04,818	3,92,807	3,64,270	3,56,000	3,44,000
Lower Swat River canal	1,40,726	1,43,055	1,70,436	1,61,162	1,57,093	1,37,000	1,35,000
†Kabul River canal	72,283	97,600	1,07,147	96,918	1,04,830	1,00,000	1,15,000
Godavari Delta system	8,32,095	7,80,126	7,73,247	7,13,415	8,11,801	7,94,000	7,23,000
Kistna „ „	5,58,559	7,10,514	6,28,138	6,01,835	7,08,696	8,00,000	6,66,000
Cauvery „ „	1,17,419	1,87,852	1,20,350	1,24,157	1,36,941	2,00,000	1,57,000
Penner River canals	68,934	75,370	52,498	66,142	76,261	75,000	65,000
Periyar Project	1,35,374	1,14,356	1,30,707	1,33,174	1,60,813	1,17,000	1,23,000
Rushikulaya Project	48,383	36,767	44,334	34,309	65,471	60,000	35,000
†Lower Coleroon anicut system	60,021	92,123	88,904	56,476	59,062	1,34,000	50,000
†Shatiatope anicut system	20,343	25,551	30,594	20,541	32,915	58,000	30,000
Desert canal	1,13,096	1,37,454	1,39,730	1,42,071	1,34,374	95,000	1,38,000
Carried over	1,44,35,099	1,44,15,621	1,46,68,885	1,45,50,665	1,48,65,120	1,46,25,000	1,45,00,000

† Transferred to 49, from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16—*continued.*

	Actuals.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward	1,44,35,099	1,44,15,621	1,46,68,885	1,45,50,665	1,48,65,120	1,46,25,000	1,45,00,000
Working Expenses—*concld.*							
Begari canal	79,377	1,80,608	1,30,759	2,90,714	2,62,116	1,87,000	1,38,000
Eastern Nara Works	1,64,741	1,94,170	2,49,693	1,79,047	1,82,979	1,84,000	1,55,000
Jamrao canal	2,70,771	2,81,773	2,94,425	3,08,263	3,11,843	3,13,000	2,77,000
Mutha canals	1,04,492	99,945	96,886	1,08,291	1,08,799	1,24,000	1,11,000
Nira canal	70,048	74,003	77,769	91,881	87,668	99,000	1,31,000
Other projects	12,88,638	13,98,199	16,58,126	19,97,745	23,98,115	35,96,000	36,78,000
Reserve	...	...	...	...	...	...	63,000
Total	1,64,13,166	1,66,44,319	1,71,76,543	1,75,26,606	1,82,16,645	1,91,28,000*	1,90,53,000*
Net Revenue							
Mandalay canal	2,63,634	2,43,006	2,65,019	2,77,431	3,06,055	73,000	2,18,000
Shwebo canal	4,24,480	4,33,887	4,96,402	5,05,370	5,29,667	4,63,000	5,15,000
Midnapur canal	*—19,252*	17,078	*—28,494*	13,339	31,367	51,000	6,000
Hijili Tidal canal	8,002	*—19,151*	29,535	24,362	*—82,577*	*—69,000*	*—33,000*
Orissa canals	83,220	69,854	1,30,363	91,085	14,268	26,000	49,000
Sone canals	11,90,213	10,54,568	10,36,931	9,62,892	12,32,922	9,84,000	10,58,000
Ganges canal (including Hathras Branch.)	33,73,373	32,77,178	31,70,339	33,96,634	36,57,619	40,05,000	39,09,000
Lower Ganges canal	18,06,416	19,79,097	22,11,099	17,98,495	24,27,089	28,24,000	21,45,000
„ Fatehpur Branch	2,11,086						
Agra canal	4,18,473	4,05,228	3,23,266	4,13,351	5,31,532	5,35,000	4,69,000
Eastern Jumna canal	12,23,751	10,80,277	10,79,412	10,84,740	13,82,223	14,23,000	12,55,000
Dun canal	8,070	34,062	44,977	65,196	92,824	59,000	52,000
Bijnor canal	23,700	25,346	16,174	21,066	26,269	36,000	23,000
Betwa canal	1,68,905	52,841	71,930	*—30,313*	11,783	*—99,000*	*—19,000*
Western Jumna canal	11,02,879	13,00,358	14,24,475	18,71,195	22,42,397	19,68,000	18,21,000
Upper Bari Doab canal	25,34,753	25,79,577	25,28,071	29,73,343	34,51,654	31,43,000	32,46,000
Sirhind canal	12,76,158	11,77,926	21,30,473	36,17,949	29,48,418	27,79,000	27,31,000
Lower Chenab canal	78,57,166	84,51,297	1,04,00,432	1,22,49,054	1,32,85,035	1,32,53,000	1,36,44,000
Lower Jhelum canal	17,07,408	19,79,314	17,70,661	32,68,998	33,87,250	34,34,000	33,56,000
Indus Inundation canals	*—2,36,231*	*—2,31,622*	1,49,518	1,03,424	1,41,536	1,44,000	1,26,000
Lower Swat River canal	4,77,404	4,52,175	4,30,552	5,06,594	5,13,749	5,26,000	5,41,000
Kabul River canal	96,915	64,402	52,730	89,786	93,705	1,13,000	86,000
Godavari Delta system	26,99,422	27,25,280	31,54,791	33,20,733	30,76,713	31,73,000	32,00,000
Kistna „ „	27,92,671	26,70,050	27,86,283	28,75,637	28,79,212	27,07,000	28,77,000
Cauvery Delta system	8,24,649	7,58,367	8,81,450	8,95,507	8,41,980	7,97,000	8,39,000
Penner River canals system	3,41,448	5,07,667	4,88,707	5,22,938	4,66,776	4,67,000	5,20,000
Periyar Project	4,09,825	4,33,840	4,27,459	4,44,613	4,13,087	4,56,000	4,61,000
Rushikulya project	70,712	1,01,375	1,03,007	1,31,062	1,25,603	1,32,000	1,57,000
Lower Coleroon anicut system	2,24,258	1,88,867	1,92,025	2,29,759	2,15,031	1,51,000	2,34,000
Shatiatope anicut „	81,205	76,821	73,843	82,846	55,680	47,000	74,000
Desert canal	2,18,255	2,05,086	1,55,274	1,93,473	1,78,038	2,32,000	2,02,000
Begari „	4,43,837	3,12,324	33,917	*—93,681*	2,52,543	3,54,000	4,07,000
Eastern Nara Works	3,87,718	4,17,830	3,90,692	4,60,889	4,17,815	4,58,000	4,86,000
Jamrao canal	3,07,096	3,87,955	4,03,522	4,96,925	4,86,007	3,67,000	4,03,000
Mutha canals	2,40,009	2,84,214	3,22,659	2,42,228	2,71,311	2,46,000	2,39,000
Nira canal	3,11,297	2,30,543	3,37,486	3,88,078	4,27,963	4,25,000	3,62,000
Other projects	16,00,890	16,19,600	13,33,442	11,63,745	22,05,910	17,20,000	28,56,000
Reserve	...	...	...	...	...	...	*—63,000*
Total	3,49,53,815	3,53,46,517	3,88,18,422	4,46,59,240	4,85,38,454	4,74,03,000	4,84,52,000

*Excluding Civil Officers' figure as under :—

	Revised. Rs.	Budget. Rs.
United Provinces	17,000	18,000
Punjab	1,000	...
	18,000	18,000

Appendix—*continued.*

Table VI.—Capital Account of Subsidized Railways.

Actuals, 1913-1914.

RAILWAYS.	Amount in Rupees.	Amount in sterling at contract rates.	Equivalent at Rs. 15=£1.	Exchange.
	Rs.	£	Rs.	Rs.
Subsidized Railways.				
Receipts.				
Capital received in India.				
Sara Serajganj	5,00,000	33,333	5,00,000	...
Idar Road Brahmakhed, Ahmedabad-Dholka, Ahmedabad-Parantij, Tapti Valley	38,100	2,540	38,100	...
Hardwar-Dehra	3,480	232	3,480	...
Mymensingh-Jamalpur-Jagannathganj	38,805	2,587	38,805	...
Murtajapur-Ellichpur	4,89,000	32,600	4,89,000	...
Murtajapur-Yeotmal	9,34,000	62,267	9,34,000	...
Dhond-Baramati	3,72,000	24,800	3,72,000	...
Mandra-Bhon	95,000	6,333	95,000	
Total Receipts	24,70,385	1,64,692	24,70,385	...
Withdrawals in India.				
Assam-Bengal	*—18,32,113*	*—122,141*	*—18,32,113*	...
Bengal-Nagpur	23,20,110	154,674	23,20,110	...
Ditto Extensions	23,03,870	153,592	23,03,870	...
Burma	5,93,347	39,556	5,93,347	...
Lucknow-Bareilly	*—1,67,442*	*—11,163*	*—1,67,442*	...
Madras and Southern Mahratta	*—26,84,458*	*—178,964*	*—26,84,458*	...
	5,33,314	35,554	5,33,314	...
Sara Serajganj	4,92,795	32,853	4,92,795	
Amritsar-Patti-Kasur	70,482	4,699	70,482	...
Idar Road Brahmakhed, Tapti Valley, Ahmedabad-Dholka, Ahmedabad-Parantij	30,828	2,055	30,828	...
Hardwar-Dehra	561	37	561	...
Mymensingh-Jagannathganj	*—6,799*	*—453*	*—6,799*	...
Murtajapur-Ellichpur	5,78,115	38,541	5,78,115	...
Murtajapur-Yeotmal	10,08,975	67,265	10,08,975	
Dhond-Baramati	3,95,939	26,396	3,95,939	
Mandra-Bhon	1,18,146	7,876	1,18,146	
	26,89,042	179,269	26,89,042	...
Total Withdrawals	32,22,356	214,823	32,22,356	...
Net Withdrawals	7,51,971	50,131	7,51,971	...

Appendix—*continued.*

Table VI.—Capital Account of Subsidized Railways—*continued.*

Revised Estimate, 1914-1915.

Railways.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs. 15=£ 1. (Omitting 000.)	Exchange. (Omitting 000.)
Subsidized Railways.	Rs.	£	Rs.	Rs.
Receipts.				
Capital received in India.				
Amritsar-Patti-Kasur	2,21	14,7	2,21	...
Bombay, Baroda and Central India Railway—				
Branch Lines	15	1,0	15	...
Dhond-Baramati	63	4,2	63	...
Hardwar-Dehra	6	4	6	...
Murtajapur-Ellichpur	79	5,3	79	...
Murtajapur-Yeotmal	10,27	68,5	10,27	...
Mandra-Bhon	15,54	103,6	15,54	...
Pulgaon-Arvi	2,00	13,3	2,00	...
Sara-Serajganj	35,93	239,5	35,93	...
Sialkot-Narowal	5,43	36,2	5,43	...
Total Receipts	73,01	486,7	73,01	...
Withdrawals in India.				
Assam-Bengal	*—32,00*	*—213,3*	*—32,00*	...
Bengal-Nagpur	*—43,01*	*—286,8*	*—43,01*	...
Burma	4,75	31,7	4,75	...
Lucknow-Bareilly	79	5,3	79	...
Madras and Southern Mahratta	*—10,86*	*—72,4*	*—10,86*	...
	—80,33	*—535,5*	*—80,33*	...
Amritsar-Patti-Kasur	1,94	12,9	1,94	...
Bombay, Baroda and Central India Railway—				
Branch Lines	35	2,3	35	...
Dhond-Baramati	67	4,5	67	...
Hardwar-Dehra	5	3	5	...
Murtajapur-Ellichpur	72	4,8	72	...
Murtajapur-Yeotmal	10,06	67,1	10,06	...
Mymensingh-Jagannathganj	21	1,4	21	...
Mandra-Bhon	15,30	102,0	15,30	...
Pulgaon-Arvi	2,00	13,3	2,00	...
Sara-Serajganj	36,00	240,0	36,00	...
Sialkot-Narowal	5,43	36,2	5,43	...
	72,73	484,8	72,73	...
Total Withdrawals	*—7,60*	*—50,7*	*—7,60*	...
Net Withdrawals	*—80,61*	*—537,4*	*—80,61*	...

Appendix—*concluded.*

Table VI.—Capital Account of Subsidized Railways—*concluded.*

Budget Estimate, 1915-16.

Railways.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 000.)	Exchange. (Omitting 000.)
Subsidized Railways.	Rs.	£	Rs.	Rs.
Receipts.				
Capital received in India.				
Amritsar-Patti-Kasur	1,39	9,3	1,39	...
Bombay, Baroda and Central India Railway—				
Branch Lines	63	4,2	63	...
Dhond-Baramati	25	1,7	25	...
Hardwar-Dehra	6	4	6	...
Murtajapur-Ellichpur	1,26	8,4	1,26	...
Murtajapur-Yeotmal	4,39	29,3	4,39	...
Mymensingh-Jamalpur-Jagannathganj	87	5,8	87	...
Mandra-Bhon	4,77	31,8	4,77	...
Pulgaon Arvi	4,44	29,6	4,44	...
Sara-Serajganj	16,00	106,7	16,00	...
Sialkot Narowal	14,02	93,4	14,02	...
Total Receipts	48,08	320,6	48,08	...
Withdrawals in India.				
Assam-Bengal	*—15,20*	*—101,3*	*—15,20*	...
Bengal-Nagpur	*—75,06*	*—500,4*	*—75,06*	...
Burma	*—22*	*—1,5*	*—22*	...
Lucknow-Bareilly	*—73*	*—4,8*	*—73*	...
Madras and Southern Mahratta	*—36,01*	*—240,1*	*—36,01*	...
	—1,27,22	*—848,1*	*—1,27,22*	...
Amritsar-Patti Kasur	1,39	9,3	1,39	...
Bombay, Baroda and Central India Railway—				
Branch Lines	63	4,2	63	...
Dhond-Baramati	25	1,7	25	...
Hardwar-Dehra	6	4	6	...
Murtajapur-Ellichpur	1,26	8,4	1,26	...
Murtajapur-Yeotmal	4,39	29,3	4,39	...
Mymensingh-Jagannathganj	1,00	6,6	1,00	...
Mandra-Bhon	4,77	31,8	4,77	...
Pulgaon Arvi	4,44	29,6	4,44	...
Sara-Serajganj	16,00	106,7	16,00	...
Sialkot Narowal	14,02	93,4	14,02	...
	48,21	321,4	48,21	...
Total Withdrawals	*—79,01*	*—526,7*	*—79,01*	...
Net Withdrawals	*—1,27,09*	*—847,3*	*—1,27,09*	...

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 to 1909 (24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Thursday, the 25th March, 1915.

PRESENT:

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G., G.C.V.O., G.M.S.I., G.M.I.E., I.S.O., Viceroy and Governor General, *presiding*,
and 59 Members, of whom 51 were Additional Members.

BUDGET, 1915-16.

The Hon'ble Sir G. Chitnavis:—"My Lord, it is an exceptional Budget that we have to deal with to-day; the shadow of War is on every page of it. The Hon'ble Finance Minister has given us a full summary of the whole position. In the light of the circumstances detailed, one is forced to admire the ingenuity and resourcefulness he has displayed in a very trying situation, and the care and sympathy with which he has throughout sought to mitigate the resultant evils On the whole, the financial arrangements, both of the current year and of the ensuing year, will command general approval. I have already, in the course of a separate debate, expressed my doubts as to the policy of setting funds aside in existing conditions to finance new railway lines, but that is a minor matter on which I need not dwell further. It is a reassuring fact that, notwithstanding a heavy deficit, there is to be no fresh taxation and that the financial position of Government is strong. It will be difficult to suggest more effective measures for filling the State coffer without pressing unduly upon the resources of the people. I will only suggest that in floating the proposed Rupee loan, care should be taken not to depress further the market for the existing three-and-a-half per cents and the three per cents. These form the bulk of the people's holdings, and a sudden slump in their saleable value will cause considerable anxiety to all holders, and actual loss to the weak and the needy among them. I have every hope that the matter will receive due consideration at the hands of so cautious and sympathetic a Finance Minister as the Hon'ble Sir William Meyer.

2. "My Lord, I beg to associate myself with the Hon'ble Sir Reginald Craddock in the encouraging words he spoke of the work of the police when he introduced his Budget heads for discussion. The police in some of the provinces are working under great difficulties, some even at the risk of their lives, and they deserve encouragement and sympathy for their faithful discharge of duty from all loyal and right-minded people.

3. "My Lord, as a result of our Resolution of September last, the War will entail a direct expenditure to India of £6½ millions, or a little over ten crores of rupees, and the whole amount is required for the cost of our troops sent to the Front. This is certainly far more than our first estimate, but we have no reason to grumble at the excess expenditure. The whole expenditure is nothing compared to what even neutral countries have had to incur in strengthening their armies and navies in view of contingencies. Had India been an independent Empire, and not formed a unit of the British Empire, our extraordinary expenditure would have been enormous at a grave crisis like this. It is a fortunate circumstance that our connection with the greatest Empire of the world ensures us safety from foreign aggression and internal peace

at a minimum of cost. While, therefore, we have not just ground for complaint on the score of extra burden, our contribution to the cost of the War, inconsiderable though it may appear to be in comparison with that of the Dominions, will not be found to be a negligible quantity. India is, after all, a poor country, and the financial resources of Government are not what one would wish they were. It should also be remembered that, besides this public expenditure, the princes and the people have subscribed liberally to the various War Relief Funds. Individual citizens have also offered their personal services, and some are at the present moment actually fighting for the Empire. The gallant deeds of our Princes and our colleagues Malik Umar Hayat Khan and the Kumar of Tikari have already attracted notice at the highest quarters. It would be ungenerous not to acknowledge that we Indians in our own humble way are rendering to the Empire at this crisis as great and as loyal a service as is practicable with our limited means and limited opportunities.

4. "My Lord, the admirable conduct of the people during the whole of this anxious period should be given due prominence. But for the great restraint they have all observed, despite of a serious economic situation, the difficulties of administration would have increased enormously, and if there have been some troubles here and there, they are negligible when the large extent of the country is considered. It must not be forgotten that for one who means or desires evil, there are thousands who chafe under the restriction that prevents them from taking part in the War and dying for their King and the Empire. This is the first great occasion after the Mutiny when the loyalty of the people has been severely tried, and it should be a matter of genuine satisfaction, not only to this Government but also to the Imperial Government, that India of her own free will has cast her lot with the Empire. This is the proudest triumph of British Indian Rule. It likewise forms India's indefeasible title to a just estimate of her participation in the War. It would be difficult and invidious to apportion the credit between the two great sections of the community. Hindus and Moslems have both displayed admirable good-will; the Moslems under circumstances of peculiar importance and stress.

5. "My Lord, in thus referring to India's attitude, I do not for a moment lose sight of the fact, noticed at some length by the Hon'ble the Finance Minister, that the withdrawals from the Postal Savings Bank deposits have been inconveniently large. To all outer seeming this might discredit our professions of loyalty, but I am glad the Hon'ble Sir William Meyer has taken a juster view of the situation, and the circumstance, according to his explanation, is not inconsistent with our unflinching devotion to Government. The investors are mostly men of humble means; in the first few weeks of the War, authentic news of the incidents was scarce; the country was filled with wild rumours; the economic situation was critical. It is no wonder that under the circumstances some of these depositors got frightened, and wanted to have the cash with them. But now the Hon'ble the Finance Minister assures us, the first trouble of the alarm is over, and the people would seem to have come to realise the folly of withdrawing their savings from the Savings Bank. We Indians are an intelligent people, and we cannot be slow to recognise that it is far safer to keep our money in deposit with a powerful Government in these troublous times than to hoard it in our humble dwellings. The heavier the deposits at this crisis the better for all concerned. It is to our interest to strengthen the financial position of Government by deposits. The financial strength of Government is our national strength. The recent appointment of an Auditor-General for India, with plenary powers of scrutiny into the Government accounts and check, will have the effect of creating in the public mind greater confidence in the wise application of Government funds, and, consequently, in the financial stability of Government.

6. "My Lord, the question of oversea emigration has an important bearing both upon the economic and the political situation even in normal times; in a critical time like the present, it has a serious aspect. We are all sorry for the "Komagata Maru" affair, but in spite of that unhappy venture and the

disgraceful conduct of the emigrants, something may have to be done by Government to secure a reasonable solution of the problem, and it is far better that an attempt at such a solution of the problem should be made by them as the representatives of the people. However much we may fret at our disabilities in the self-governing Colonies of the British Empire, we, unaided by Government, cannot succeed in getting them removed. It is an excellent idea of Your Excellency's, therefore, that we should support the Government to effect a compromise with the colonies on a basis of complete reciprocity, consonant with the common interests and self-respect of both sides. If we succeed in getting the most-favoured-nation treatment, we should be satisfied for the present. Personally, I have great faith in Imperial Preference as a lever which can be used to our advantage in the Colonies, but all discussions regarding this and kindred subjects of Imperial importance must necessarily be suspended until the war is over. When that happy consummation comes, an Imperial Conference of the Colonial and Indian representatives should be helpful in evolving a workable scheme of Preferential Tariffs which will bind us to the Colonies with bonds of brotherly love and mutual trust and mutual interest. I am glad to find that the most convinced of free-traders are beginning to reckon one great outstanding fact, that England's fiscal problem will have to be settled under pressure, not of argument, but of political and industrial forces. Here in India we have advanced sensibly in the development of our economic ideas, and Government is to be congratulated upon the marked change in its policy. Its action in the matter of the regulation of the exports of wheat testifies to its earnest desire to suit its economic policy to the conditions of the times and the country.

7. "My Lord, we had a good deal of discussion this session as regards the promotion of India's industries during the war. In this connection I am glad to congratulate the Government on the appointment of a gentleman at the Board of Trade in England. He was appointed to find outlets of exports of Indian raw and manufactured articles hitherto sent to Germany and Austria-Hungary, and also to make good the heavy losses in her trade with France and Belgium and with neutral countries on the Continent. The complete suspension of the trade of India with the two chief enemy Powers cuts off at a stroke some £11,000,000 of the balance of trade in her favour. This appointment will be the means of providing a channel of enquiry and advice for business men in England desiring to utilise Indian products in manufactures hitherto more or less monopolised by Germany and Austria. It will also have the effect of recognising India's special claims and needs in this war against German trade.

8. "My Lord, we all look up eagerly to an early and successful termination of this great war, the continuance of which means not only so much waste of valuable life of the present generation, but the wiping out of many future generations. No one entertains the least doubt about the glorious victory of British arms, but the sooner it comes the better it is for all parties concerned, nay, for the civilisation and progress of the world. With militarism crushed and the British Empire strengthened by the comradeship in arms of the various units, a juster view of human rights and of the purpose of civilisation is bound to animate the future policy of the West, and India has everything to gain by the wholesome change. The stain of the Mutiny is wiped out by the valour, heroism, and devotion of the Indian troops, and India stands and will stand justly proud of the brilliant record. The honour, the future, of India are in the safekeeping of these soldiers who have the privilege of fighting for their King and the Empire. Some of these have already won the high distinction of the Victoria Cross. It is flattering to us, it is flattering to our patriotism, that India will occupy a brilliant chapter in the history of this war. Our good name, earned in the field of battle, and our behaviour within the country, will be invaluable asset in the future adjustments of India's rights both within her bounds and in the world abroad. We, therefore, hope that our countrymen will create no trouble and conduct themselves at this crisis in a manner which will redound to the credit of the whole country.

9. "My Lord, in this connection I cannot but allude to the great toll of death during the year. It is a matter of deep sorrow that we have to record not only

the loss of men rich in fame who have reached the allotted span of years, but also the deaths of many young and gallant servants of the Empire fallen either on the field of battle or died subsequently of wounds received in action. I hesitate to publicly express sympathy with their relations, because personal grief such as this seems to me a sacred thing, to be treated rather with mute reverence than with words. We cannot, however, but admire and praise the courage and fortitude with which these faithful and loyal servants of the Crown from the highest to the lowest who have been thus stricken are working. May the souls of those who are dead in the service of their King and Empire rest in everlasting peace and happiness !

10. "My Lord, we all regret Your Excellency's approaching departure. You have worked under circumstances of exceptional difficulty and with a sole view to India's interests. You have secured our esteem and confidence, and we all hope that you will be allowed to remain until the war is over, and, when you leave, you will carry with you our best wishes for your happiness and prosperity."

The Hon'ble Raja Jai Chand:—"My Lord, the Financial Statement for 1915-16, so luminously presented by the Hon'ble Sir William Meyer, reflects the tireless exertion of the whole Indian continent to surmount and steer clear of the economic and financial disturbances developed by this international conflict, which is second to none in the annals of the world.

"It is quite true, as my Hon'ble friend the Finance Member remarks that India has not been directly affected by this gigantic struggle and so I think other British colonies too, like New Zealand, Canada and Australia and so forth, have not felt the direct impact of the war, though none of these, including India, and even the non-combatant and neutral countries like the United States and China, have been able to escape the bitter effects resulting therefrom. However, considering the gravity of the situation, which at present prevails all over India, I cannot but warmly congratulate the Finance Member on his splendid presentation of facts connected with the recent development of the history of trade and finance during the last few months, and on his masterly review of the measures adopted by Your Excellency's Government to husband the financial resources, to develop trade, to uphold exchange, and to help currency.

"Speaking on the last year's Budget I had drawn the attention of Your Excellency's Government to the backward state of the Pun jab in sanitation and education, particularly female education, as being antithetical to steady progress and advancement in the same direction in other provinces of India.

"I had also distinctly referred to the deplorable poverty of the martial tribes inhabiting the Punjab, and, as a remedial measure, had mentioned the paramount necessity of providing them with some land in addition to their own ancestral holdings, which are quite insufficient to meet their domestic wants throughout the year.

"The Indian martial tribes, whose glorious deeds of exemplary valour and chivalry, tenacity, and endurance in the battlefield have won the admiration of Field Marshal Sir John French and of Allied Armies, have acquitted themselves of the heavy responsibilities in a way worthy of their best traditions. Thus, when they have readily responded to the stern call of duty in a crisis like the present, with unswerving loyalty and devotion to the British Crown, it remains for the Government to strike a crushing blow at the root of the evil, which leads to their misery and domestic uneasiness.

"My Lord, it is a source of immense gratification to me to find that the Punjab Government, fully realising the need of the hour, have adopted the prudential and beneficial step in the shape of grant of more land than was previously sanctioned for distribution among soldiers whose gallant and distinguished conduct in the field brings them to the forefront.

"It is a boon for which the whole of the Panjab, province in general, and the military tribes in particular, owe to the wide-awake Lieutenant Governor a deep debt of gratitude.

"There is one point, however, which I wish to elucidate. Some officials, as an English newspaper remarks, may have taken an unwholesome view of

the fact that some military grantees, not being actuated by a love of agriculture, sell their lands to other men, and as they have no aim other than money-making, it only serves to hinder and retrograde the steady progress of colonization. But, His Honour the Lieutenant-Governor of the Punjab makes the following observation in his review in Lyallpur :—'There is no cause for regret in this', says His Honour, 'if, as appears to be the case, transfers were made generally by military grantees, whose hearts were not in the colony, and they have probably given way to men who will make better colonists.'

"Now, whether the military grantee keeps the land in possession or sells it to some other capitalist to his own advantage, makes little difference. The fundamental point at issue is that he should not be deprived of grant of land. The bare fact of his selling land is no justification of his deprivation from the boon.

"My Lord, there are other points, too, which I would have liked to bring to the notice of Your Excellency's Government, but being fully alive to the gravity of the modern situation, and to the serious complications and anxieties created by the war, which we all wish to see soon ending in the victory of British arms, I refrain from entering into discussion, and hope that I will have a better opportunity later on, when things assume their normal course, to voice the feelings of the Punjab landholder, whom I have the honour to represent in this Council."

The Hon'ble Lieutenant-Colonel Blakeway :—"My Lord, I must apologise for occupying the time of the Council to-day on the subject of sanitary progress in the North-West Frontier Province when probably a number of other subjects of interest will come under discussion, but the proposals of the Hon'ble elected members representing the Central Provinces and United Provinces, during the first stage of the discussion of the Financial Statement, for the curtailment of the Railway programme in favour of the development of Education and Sanitation have indicated the public interest which these two departments continue to focus, in spite of the numerous preoccupations of the present time. The somewhat dismal reference, also, by the Hon'ble Mr. Dadabhoy on the same occasion to the sanitary condition of his Provincial Head-quarters' city might, perchance, create the illusion that equally worthy Provincial competitors for Government aid in the matter of sanitary improvement do not exist elsewhere. It has occurred to me, therefore, that a few words representing the claims of the North-West Frontier Province to obtain a share in the unallotted reserve of 7·7 lakhs for sanitation, to which reference is made in paragraph 106 of the Memorandum explaining the details of the Estimates, may promote the cause of my Province, since, if I may say so without levity, it is the early Provincial bird which frequently succeeds in the appropriation of the Imperial financial worm. Moreover, as the spoken word on occasion appeals to a wider audience than the written, or at all events the officially written word, the exhibition of their needs may help to assure the representatives of the urban communities in my Province, where city sanitation has of late been rapidly advancing, that their efforts meet with recognition and should encourage their progress in the direction of reform.

"The North-West Frontier Province is regarded, I fear, in some uninstructed quarters as merely a land of incursions by tribesmen and excursions by troops; as a scene of raids and counter-raids, where the midnight forays of hillmen alternate with the reprisals of Government. There is, however, another and a very important side to the shield, a side connected with the well-being of the Border peoples who are our subjects, with their education and their introduction to all the benefits associated with civilization. Naturally, the first and most heavy responsibility of the Administration—or of any Government for the matter of that—must be the maintenance of law and order; but the policy of improving the material condition of the people has been steadily and of late, thanks to the liberality of Your Excellency and the Government of India, very actively pursued. It is curious to observe, however, by way of

comment on the sense of proportion publicly displayed in certain matters, that the completion of so vast and beneficent a project as the Upper Swat River Canal, which will have a far-reaching political effect and bring prosperity to thousands of peasant homes, should apparently arouse less general interest than, for instance, an abortive attack by some transfrontier miscreants on a border post.

"But, My Lord, I will not detain the Council by recounting even briefly what has been done recently on the North-West Frontier under the heads Education, Communications, Public Works and Medical Relief. However interesting the realization of local schemes may be to local patriots these schemes cannot be expected to invite and hold the interest of others. Neither will I refer in detail to the progress being made in town sanitation. I think, however, that the sanitary condition and Municipal administration of the historical and beautiful city of Peshawar, the first Indian city to be seen by those hosts of travellers from Central Asia, Persia and Afghanistan, who enter British territory by the various routes converging at this point, can fairly claim something more than local concern. Owing to its position in the forefront of Empire on the extremest border of British India, I hope that all of us conscious of an Imperial sense must hold the opinion that it should attract the admiration of the strangers who resort to it and pass through it in such numbers, and must desire that its Municipal arrangements and sanitary condition should bear worthy testimony to the solicitude of Government. This brings me, My Lord, to the main ground on which I voice the claims of my Province to share in the Imperial sanitation reserve of 7·7 lakhs. An extensive conservancy scheme, involving improvements also to the water supply, is now being worked out for our local capital, but cannot be carried into effect by the Municipality without help from provincial funds. This help means starving projects elsewhere and may check the awakening spirit of Municipal sanitary reform in the Province which it is so desirable to foster. I trust, therefore, that when our appeal to the charity of the Government of India for a special sanitary grant, in addition to the recurring grants which we are now enjoying, comes to be made, it will be successful in spite of the insistent competition of larger rivals to which expression has already been given in this Council."

The Hon'ble Mr. Banerjee:—"My Lord, I do not know whether the Hon'ble the Finance Minister reads the newspapers, but if he does he will have noticed the chorus of approval with which his Budget was greeted by the accredited representatives of public opinion. We, who are of the public, associating ourselves with this popular sentiment, desire to offer him our heartfelt congratulations. I think my Hon'ble friends will have no difficulty whatever in discovering the secret of this universal feeling. We all expected to be taxed, directly or indirectly. We have been saved from that situation, and we hasten to offer our grateful thanks to our deliverer. But, My Lord, gratitude implies a sense of favours to come. We have indeed got over our present difficulties, but what about the future? It is perhaps too early to make a pronouncement with regard to that, but judging from the conduct of the finances of this year, at a critical time, I think we have the assurance and the guarantee that no fresh taxes would be levied unless under the pressure of a paramount necessity. My Lord, the Budget has been framed on the assumption that the war will continue for one year. If, fortunately, the war terminates before that time, the situation will have been eased and our anxieties will have been partly dispelled. My Lord, the Budget is a War Budget, but the most interesting thing about the Budget is that although it is a War Budget, it does not add to the military expenditure: on the contrary, the military expenditure is slightly less than that which had been budgeted for. The cost of the Indian Expeditionary Force to Europe will come up, for the year 1914-15 and 1915-16, to about 7 millions, or, perhaps, a little less than 7 millions. My Lord, war is an unmitigated evil, but there is no cloud without its silver lining, and this war has afforded India an opportunity of demonstrating her loyal devotion to the Empire in a manner which has produced a profound impression upon

the public mind of England. The enemies of Indian aspirations have been convinced and converted. The angle of vision with regard to Indian affairs has been changed, and, in the words of Sir James Meston, a bright day is about to dawn in the land, when, as I hope, India will take her place as a component part of a great and federated Empire, in the full and free enjoyment of the rights belonging to that status This hope inspires our people May it be realized and may the Empire of His Majesty be broad based upon the gratitude, the contentment and the happiness of the people of India.

"My Lord, no educated Indian can speak upon a Budget statement without reference to two matters which find a prominent place in his mind, namely, sanitation and education. They are the watchwords of the Government of India. They are also our watchwords, and to them we accord a prominent place in our public work. Unfortunately, there has been no Imperial grant in respect of either for this year with the exception of 10 lakhs, which Your Excellency was pleased to announce at the Convocation of the Calcutta University, for hostels. My Lord, the building of hostels is a matter of the utmost urgency, having regard to the interests of discipline among our students. I am sorry to have to say that the work is not progressing as rapidly as it ought to. I know something about these hostels. In connection with the hostel for the Ripon College, in which I am directly interested, and the Metropolitan Institution of which I know something, the land has been acquired, the plans are ready, but the buildings have not been yet taken in hand. I hope and trust that with the 10 lakhs of rupees which have been granted the work will be taken in hand at once.

"As regards sanitation, we have to make the same complaint. The administrative machinery moves slowly. It does seem to me that it needs to be vitalised and recast upon more liberal lines. We are looking forward with some hope and expectancy to the resolution which you, Sir (the Hon'ble Sir Harcourt Butler), have promised on the question of local self-government. I can only hope and trust that as you have signalised your administration in the Education Department you will also leave an ineffaceable mark upon the system of local self-government by laying down the broad and liberal lines of progress which should distinguish that institution.

"My Lord, my Hon'ble friend, the Finance Minister, said in regard to certain observations made by the Hon'ble Mr. Dadabhoy that there was no desire on the part of Government to go back upon its policy in respect of sanitation and education, but that the speed had been somewhat slackened. We can only hope and trust that with the return of normal conditions more money will be spent and greater energy exhibited in the matter of sanitation.

"My Lord, with regard to the provincial contracts, the war has deferred the settlement of that contract with my province. May I plead for my province and urge that when the terms have been fixed, they may be so settled that Bengal may be a self-contained province able to pay its own way without the adventitious aid of those Imperial doles which my Hon'ble friend, the Finance Minister, in his capacity as a Member of the Decentralisation Commission, condemned as demoralising? The provincial system must be worked up to the stage of fiscal autonomy, which is the basis of provincial autonomy. My Lord, that is the clear demand of Indian public opinion, and that demand has found a responsive echo in the great despatch of the 25th August, 1911, with which Your Excellency's honoured name will be imperishably associated in the history of India.

"With regard to the question of the industries, My Lord, the discussions in this Council and the discussions which have taken place elsewhere have brought out the fact prominently that Indian opinion demands that there should be a definite change in the policy of Government in this matter. Government cannot stand where it is; it must move on according to the requirements of the country and the demands of an advancing public opinion. What the educated community want is that Government should actively participate in the fostering of our industries by financing the more suitable ones and rendering them such help as they may need. That is the clear demand of educated

public opinion. The question will be brought up again and again in this Council and in the Provincial Legislative Councils, and I should like to put this question to the Hon'ble Member in charge of the Department of Commerce and Industry, 'How long does Government propose to resist the rising tide of public opinion becoming more and more insistent and importunate with every check and every refusal?'

"My Lord, there is one matter which at the present moment weighs heavily upon the minds of the educated community not only of the United Provinces but of all India, I mean the rejection of the proposal for the creation of an Executive Council in the United Provinces.

"My Lord, this proposal was made by the Government of the United Provinces and was supported by the Government of India and by His Lordship the Secretary of State for India. It was in entire conformity with the recommendations of the Decentralisation Commission and was backed by the unanimous vote of the non-official Indian Members of the Legislative Council of the United Provinces, who, I presume, are in closer touch with the better mind of their countrymen, and with the sense of the voiceless millions of the United Provinces, than Lord MacDonnell, who left the country about 20 years ago, than Lord Curzon, who left India 10 years ago, or than Lord Sydenham who was not even within a measurable distance of the United Provinces and knows little or nothing about them. My Lord, it is not only a question of administrative efficiency, which, in the words of Lord Morley, Indian rulers are sometimes apt to put a little too prominently in the forefront of their consideration. The issues involved are much deeper. His Honor Sir James Meston sounded the true note of the situation when he said that the object of this reform was to introduce Indians into the inner councils of the Government, into the Holy of Holies, if I may say so without irreverence. My Lord, it is most unfortunate that this proposition should have been rejected at a time when India is astir with a new and an awakened sense of devotion to the Empire. Already it is beginning to be asked—Is this the first-fruit of that change in the angle of vision which had been promised by a high authority? The only redeeming feature about the situation is the attitude of Lord Crewe, who is resolved to pursue the matter. We wish him all success, and we desire to assure His Lordship of the sympathy, the unstinted sympathy, of the millions of my countrymen in this matter. My Lord, does the question affect the United Provinces only? No: it affects the whole of India. We share with the United Provinces the deep disappointment which they feel. Not only that, the question has raised constitutional issues of grave moment. The House of Lords may block great reforms in India by raising difficulties as they have done in this case My Lord, I hope and trust that Lord Crewe will revive the India Council Bill, which also was rejected by the House of Lords. We were not enamoured of the Bill; we thought it ought to have been cast upon broader and more progressive lines. But such as it was, it was a distinct improvement on the existing condition of things, for it recognised, although it might be in an attenuated form, the elective principle and the statutory right of the people of India to be represented in the highest Council of the Indian Empire.

"My Lord, there is another matter, somewhat of a controversial character, which I feel it my duty to mention in this Council, because what I am going to say represents the public opinion of my countrymen. It is somewhat unpleasant, but we have sometimes to say unpleasant things in this Council. My Lord, the Government of India have paid compensation, pay or allowance, to the members of the Indian Civil Service and of the superior Police Service above a certain grade; and this was done at a time when it was known as a matter of practical certainty that there would be a deficit in the current year's Budget, and when there was a forecast of a deficit in the Budget of the coming year. My Lord, that step, I cannot help thinking, was ill-advised. Why, when every subject of His Majesty—high or low, rich or poor, prince or peasant—was suffering from the pinch and the pressure of war, two well-paid services should have been singled out for this preferential treatment, passes my comprehension Yesterday, in reply to a question which

was asked here, it was said that the object was to compensate the members of these services for the block in promotion. My Lord, there are other branches of the Public Service which suffer from similar inconvenience, from a similar strain. Have they received any relief? My Lord, I have already observed that this is a somewhat controversial and unpleasant matter; but there is a very strong feeling outside this Council in the country at large, and I have felt it my duty to refer to it here in the hope that the question may yet be reconsidered. At one time some of us thought of giving notice of a resolution, but we wanted to avoid anything like a controversy.

"My Lord, in conclusion I desire to associate myself with the observations which have fallen from my Hon'ble friend, Sir Gangadhar Chitnavis, in regard to Your Excellency. My Lord, we may not always see eye to eye with Your Excellency's Government in regard to measures of administration; but, My Lord, your administration has been one of the noblest and wisest in Indian history; and, My Lord, if I may be permitted to say so, Your Excellency will take your place among the most illustrious of Indian Viceroys—by the side of Bentinck, Canning and Ripon. Therefore, I unreservedly associate myself with the observations which have fallen from my friend: they represent the deliberate judgment of public opinion, and of the educated community, over this wide, wide continent."

The Hon'ble Pandit Bishan Narayan Dar:—"My Lord, I thoroughly associate myself with the Hon'ble Member in the well deserved compliments they have paid to the Hon'ble Finance Member on his excellent Budget. I cannot say that I am quite satisfied with the provision made for education in the coming year; but considering the present situation I make no complaint.

"My Lord, Education is England's greatest gift to India, and it has not yet found a more sincere and more passionate advocate and supporter than Your Excellency. The whole country fully appreciates Your Excellency's noble efforts in this direction and is filled with feelings of deepest gratitude for what you have already done. The promoters of the Hindu University movement are particularly deeply indebted to Your Excellency for Your Excellency's gracious support in their great undertaking, and it is as an humble admirer of Your Excellency's liberal educational policy that I wish to submit a few observations on one or two features of that policy which seem to have failed to commend themselves to a section of the Indian Public. I know that the Government sincerely desire that education should spread as widely as possible and as rapidly as possible. But unfortunately the rate of progress which seems to satisfy them does not satisfy us. Their aims seem to be to subject the requirements of educational expansion to those of educational efficiency. Our position is, efficiency by all means but not at the cost of expansion, not at the sacrifice of a wider diffusion of knowledge. My Lord, India has been under British rule for nearly 150 years and yet what is the state of our education as shown by the latest figures on the subject? According to the last quinquennial report on Indian education 2·7 per cent of the population were at school in 1911. Now we have 3 as against 2·7 per cent. So then according to the latest figures 97 per cent of the population at this moment are condemned to pass their lives in utter ignorance. In this respect India does not compare favourably with any civilised country in the world. The demand for education is growing day by day; but from every Province come complaints, not by the hundred but by the thousand, that there are more boys desirous of learning than can be accommodated in our schools or colleges. Restrictive rules have been made in every Province because there are not enough schools to accommodate our boys. My Lord, in the existing state of India we do not want better school buildings but more schools. A good education imparted in finely built schools is a very desirable thing, but any education is better than none.

"My Lord, there is another point upon which I want to say a few words. My Lord, we Indians find it very difficult to understand why the Imperial Educational Service has been almost monopolised by Europeans and why so

many Professorships and even Head-Masterships are given to Europeans in preference to Indians. In my Province, if I am not mistaken, there is not one Indian in the Imperial Educational Service.

"There are qualified Indians certainly, not inferior in mental and moral equipment to many of those English teachers and professors who are sent out here every year from England. A larger employment of indigenous talent would be good not only on economic grounds, but would in large measure satisfy one of our legitimate aspirations. But I place the claims of Indians to be appointed more largely in the higher ranks of the Educational Service on a higher ground than that. One great object of all education is the formation of character, and the Government has of late rightly laid stress upon the realisation of that object. Another aim which the Government has rightly set before itself is that the development of Indian mind and character should be on Indian national lines. My Lord, is it seriously believed that the character of the youth of India will be formed on its national lines under the influence of English teachers and professors, however able and high principled they may be? My Lord, this is a delicate question. But I do not speak in a controversial or party spirit when I say that the policy of increasing the number and extending the influence of European teachers and professors, possessing little knowledge of Indian life and conditions, and themselves living here under the influences of their own community and isolated from the daily life of the people among whom they have to work, I say that the policy of extending their influence over the formation of the intellect and character of the Indian youth, is causing disquietude to the intelligent section of the Indian people; and they are watching with anxiety and even apprehension the effect of that influence upon their boys, whose mind and character will thus be formed, not on their own national lines, but in accordance with the ideals of teachers drawn from a different race and inspired with the spirit of a different civilisation. It is not a whimsical apprehension, but a real one in my opinion, about which we may not hear much now but which is growing and will make itself heard before long.

"My Lord, we the people of the United Provinces are deeply grateful to Your Excellency's Government and to Sir James Meston for recommending to the Secretary of State the creation of an Executive Council in my Province, and to the Secretary of State for his gracious acceptance of Your Excellency's proposal; but that proposal has been rejected by the House of Lords, because some noble Lords with Indian experience considered it a revolutionary measure, as if the creation of an Executive Council meant the founding of a new republic in the United Provinces. Bombay and Madras are each under a Governor-in-Council. Bengal owes that boon to Your Excellency's liberal and generous statesmanship. The new province of Bihar and Orissa is equally indebted to Your Excellency for its Executive Council In what respect would it be a revolutionary change to bestow the same gift upon an older, richer and more populous Province? The noble Lords seemed to find much satisfaction and security in an old order of things which is daily growing obsolete. They are welcome to the asylum they have sought for themselves for they have taken refuge in the traditions of the most powerful and most exclusive bureaucracy in the whole world. Nevertheless, they have, in my humble opinion, committed a grave mistake. They have disregarded the public opinion of India and disregarded it at a time when it should be conciliated. Here was a demand made, not by an infinitesimal section of the Indian community, as one noble Lord said, but by every class of the people of the United Provinces, for whose good opinion and good-will Government cares, a demand upon which Hindus and Mohammedans who are supposed to be always ready to fly at each other's throats were unanimous, upon which the aristocrats and the commoners were equally united, and which was supported by Sir James Meston, the popular and liberal-minded Lieutenant-Governor of the United Provinces, by Your Excellency's Government and by the Secretary of State, a demand which was extremely moderate and reasonable in its nature and which meant nothing more than that a long-deferred hope raised by the liberal policy of the Government should now be fulfilled, and that a concession which had been made three years ago to the new

province of Bihar and Orissa should be made to an older and more important Province, and which had been withheld from it because its then Lieutenant-Governor, Sir John Hewett, who was brought up in different traditions did not like it; this demand has been rejected by the Lords on the flimsy, shadowy ground that the people did not want it, that their religious animosities forbade its concessions and that its concessions would revolutionise the administration. What would be the effect of this action of the Lords in the United Provinces, and indeed in the whole country? Your Excellency has rightly observed more than once in this Council that the present is not the time for political controversies and political agitations. The leaders of the various Indian communities have recognised this fact from the very commencement of the war, and have urged upon their countrymen the urgent and sacred duty of forgetting all domestic differences and rendering whole-hearted support to the King-Emperor and Country in this hour of fate in the life of civilized mankind. Their advice has been gladly, enthusiastically followed by the loyal Indian people, all political controversy is hushed, all domestic disputes are forgotten; and one recent and most striking proof of that is the Defence of India Act, the most drastic measure ever passed by the Government of India, a measure open to grave objections, but which was unanimously supported by the Indian Members of this Council; because with the fullest confidence in the justice and benevolent spirit of Your Excellency's remarkable administration, we, the representatives of the people, considered it against our loyal duty to Government to stir up controversy and thereby cause public alarm. This is how the Indians have acted in the present political situation; and the Government on their part have, we all most gratefully acknowledge, put off the consideration of all controversial measures in accordance with the wide-spread desire of the Indian people. But the Lords have chosen this of all moments for practically rejecting our demand, in spite of the just and wise warning of the Secretary of State. And the immediate effect of that sad blunder is that it has already caused deep disappointment to the people of my Province and may before long re-kindle political agitation there, which to my mind will be nothing short of a calamity. If this is the attitude of our ex-Viceroys and ex-Governors towards us during the war, what will it be after the war? They have been paying us high and extremely flattering compliments upon our loyalty and devotion to the British Crown; and yet in the same breath they tell us that we are in such a backward and primitive condition that even an Executive Council would be too good for us. My Lord, you can imagine the effect of these contrasted and contradictory statements upon our minds. The motto of short-sighted statesmanship has always been: Refuse a demand when you can grant it with grace; grant it when you cannot refuse it without peril. My Lord, my Province is one of the more advanced provinces of India, a Governor-in-Council was promised to it long ago, and henceforward, if I at all understand its temper and desire, it cannot rest contented with anything less than that. The concession of our demand for a Governor-in-Council will be one forward step towards the realisation of the ideal set forth in your Excellency's memorable Durbar despatch, namely, 'a larger measure of self-government under which India would consist of a number of administrations, autonomous in all Provincial affairs, with the Government of India above them all, and possessing power to interfere in cases of misgovernment, but ordinarily restricting their functions to matters of Imperial concern'. My Lord, it is this policy of generous trust, ordered freedom, and friendly co-operation between the rulers and the ruled that has endeared Your Lordship's name to the heart of every Indian. Our claim for a closer association with the administration of the country, for a more effective co-operation with our rulers in all the departments of Government is in accordance with the spirit of that policy.

"My Lord, the war has demonstrated India's unswerving loyalty to British rule, which was never doubted by Your Excellency. We have noticed with sincere gratification the impression made upon British public opinion by India's services to the King-Emperor and the Empire in these critical and fateful times. English statesmen have held out high hopes to us. The Under Secretary of State for India said the other day that India was not a

dependent but a partner of the Empire. Even the hearts of colonial statesmen have softened towards us. All this has brought the fulfilment of our demands, such as a larger employment of Indians in the Civil and Military services of the country and a satisfactory solution of the question of the status of Indians in British colonies, much nearer to us than before. So long as the war lasts we shall not press any of our demands; but after the war, when the triumph of British arms is complete and peace is restored to the civilised world, we shall ask for a substantial concession of our demands not as a reward of our loyalty—for loyalty according to a high authority must be unconditional and must seek no reward—but as a right which we shall be justified in claiming as citizens of a free Empire.

"Of course, progress must be gradual, concessions must be made on cautious lines. We must not take the second step before taking the first. We must remember that in practical politics it is not logical argument but the logic of facts that tells, and we must fully trust in the high aims of British rule in India which, with all its defects and shortcomings, is yet, as J. S. Mill said, the best and purest in intention ever seen among mankind. On the other hand, My Lord, I appeal to Government and through the Government to the whole governing class in this country to win our true regard and affection by trusting us and trusting us as equal subjects of the King-Emperor; for the noble words of Jeremy Bentham are as true now as when they were first written: 'In order to gain mankind one must appear to love them and the best way of appearing to love them is to love them in reality'".

The Hon'ble Raja Sir Muhammad Ali Muhammad Khan:—"My Lord, with your permission, I beg sincerely to congratulate the Hon'ble Finance Minister for the able manner in which he has prepared the Budget. The year to which the Budget relates is exceptional inasmuch as we have for the first time in the history of this country to share the expenditure on the noble cause of the defence of the Empire, of which India should be proud. My only fears are that our finances did not permit of an allotment of a larger sum of money towards the war than has been budgeted for by our able Finance Minister.

"In normal times I would have pressed the need of the United Provinces for a handsome allotment towards Education and Sanitation and under other important heads, but this, My Lord, I do not think, is the proper time for it. However, a change, or rather a reduction, in the Budget for the United Provinces may be necessary owing to the deplorable action of the House of Lords in throwing out the proposal for an Executive Council for the United Provinces. Any saving that may thus accrue during the year should be employed on the crucial needs of the Provinces.

"My Lord, this decision of the House of Lords has come to us as a great shock and has created a great disappointment and uneasiness throughout the Provinces. I do not know the source of information of Lord MacDonnell who, in moving the Resolution in the House of Lords against the creation of an Executive Council, said that it was only a small number of people of my Provinces who wanted it and the majority were not in favour of it. I cannot but emphatically rebut this statement.

"My Lord, in all matters of administration it is the aspirations of the educated and thinking masses which play the important part in determining the public opinion. The Legislative Council of every Province is the recognised and effective medium of ascertaining the voice of the people through their representatives.

"My Lord, the majority of non-official Members in the Council of the United Provinces who voted in favour of the Executive Council did not warrant the statement made by Lord MacDonnell. But it appears that he, like others who have left this country long ago, is quite out of touch with what is going on here.

"These noblemen of the House of Lords, My Lord, would be well advised to support the Government of this country and to accept the advice of the

Ruler on the spot. The decision of the House of Lords is really a severe punishment inflicted upon a very great section of deserving, worthy, and loyal subjects of His Majesty, and the reason of it, My Lord, is that we were *ultra* moderate in asking only for an Executive Council for our Provinces. The importance of our Provinces, My Lord, demands the creation of an Executive Council with a Governor, and I feel absolutely confident that the just Government of Your Lordship will be pleased to consider the feasibility of creating a Governorship for the United Provinces.

"My Lord, without any idea of jealousy or slight to the sister Provinces placed under Governors in Council, I beg leave to submit that the claims of the United Provinces in this respect are next to none in India.

"In conclusion, I beg to add that in my humble opinion it appears absolutely necessary that the enactment by which the Proclamation creating an Executive Council has to be tabled in both Houses of Parliament should be repealed. It is not the first occasion on which the House of Lords has been uncharitable in unduly interfering with matters connected with the administration of India.

"My Lord, this is really not the proper time to enter into any lengthy discussion on matters controversial, and every faithful subject of His Majesty would avoid, so far as possible, every kind of agitation at the present juncture; but, My Lord, the situation has been forced upon us by the House of Lords."

The Hon'ble Mr. Sharp:—"My Lord, in that portion of his speech which dealt with Education, I understood the Hon'ble Pandit Bishan Narayan Dar to make two statements which should not go unnoticed. He said that only 3 per cent of the population are at school and drew from this the deduction that 97 per cent of the people are condemned to ignorance; and I think he added that this state of things was probably worse than in any country in the world. I need hardly say that this deduction is not correct. I also understood him to say that there are no Indians in the Imperial Service of the Education Department—"

The Hon'ble Mr. Pandit Bishan Narayan Dar:—"In the United Provinces."

The Hon'ble Mr. Sharp:—"I beg the Hon'ble Member's pardon. I thought his remark was general."

The Hon'ble Mr. Das:—"My Lord, the Hon'ble Finance Member has received quite a chorus of congratulations and felicitations—those offered to him in the columns of the newspapers and those he has received here. But as the Member in charge of Finance is accustomed to deal with the smallest copper, a pie, I desire to offer my pie of congratulations which may, I hope, be acceptable to him.

"I associate myself with most of the remarks which fell from the Hon'ble Sir Gangadhar Chitnavis, and I wish to refer to the last paragraph of his speech in which he referred to Your Excellency's coming departure. He referred to it with a sense of regret: no doubt, if it does come to pass, it will be a cause of regret. My Lord, misfortunes have often overtaken India, and the most recent misfortune was one to which reference was made by the last few speakers; I mean the attitude of the House of Lords with regard to the recommendations for an Executive Council for the United Provinces. Misfortunes have befallen India, but the worst misfortune would be that which would remove the commander of the vessel at a time when a storm was blowing, when the waves were dashing against the ship of administration, when there were small clouds on the horizon, the future magnitude of which could not at present be gauged. To remove the commander of the vessel at a time like this would be perhaps the worst calamity that has befallen India. It is not the qualifications of the captain, or the commander, the man at the helm that count. He may have any amount of knowledge

of steering his vessel, but the most important thing in troublous times is the confidence of the people in his efficient commandership. If the people have not confidence in him, the people themselves will contribute to the destruction of the vessel, whereas if the people have confidence in him, their conduct, their behaviour, their steadiness, will save the vessel in perilous times. I do hope that such a calamity to India will be saved by the King, as I am sure India will be saved from such a calamity by God.

"My Lord, about this time last year, I asked one or two questions in this Council in order to ascertain the number of Indian Christians in India, and as to whether there were any special provisions with regard to their education. The answer given to me was that the number of Indian Christians is a little over 3½ millions, and in answer to the question whether there was any special provision made for the education of this class, Government said, 'It is understood that special provision is made in certain places for the education of Indian Christian boys and girls, but the Government of India have no precise information on the point'. There is no provision for this purpose even in the present Budget. This answer shows that the Government of India have left 3½ millions of people in the cold. There is actually an apathy, there is a want of concern in the education of these people; and it is no wonder that abroad, thousands of miles away from this place, queries have been put as to whether the Indian Christians have not rendered themselves useful to Government in public services, and useful generally in the private walks of life. If that community had a representative here, he would certainly have been in a position, from his seat of authority, to answer those questions, to show how unjustifiable, how underserving,—if the Government of India means to show apathy to this class,—is such apathy. But there is no representative of the class here, and consequently, as a member of that community, I beg to draw the attention of Government to the fact that in several departments, almost in all departments of the public service, members of the Indian Christian community have rendered distinguished service. If we go to the Medical College in Calcutta, we shall find that there have been professors who have rendered very useful service and added to the popularity of the institution. If we go to the Senate House in Calcutta, we will find there things to remind us that the Indian Christian community has not been behind other communities in fostering and helping onward the progress of education. It will not be possible for me to refer to the lives of these men, for if I were to do so, I suppose the time limit would terminate my articulate life here long before I could describe their lives.

"My Lord, as regards the loyalty of the Indian Christians, that was put to a very severe test in the last century, and yet I find that, notwithstanding the answer given a year ago, there is no provision in the present Budget for the education of the boys and girls of the Indian Christian community; and yet there cannot be the least doubt that they have need of special education; and the reason for this neglect seems to be that they have no representative in this Council.

"My Lord, it is a strange and curious fact that the Indian Christian community is the only Indian community whose laws of succession, marriage, testamentary dispositions, and divorce were forged on the anvil of this Legislative Council. Laws of succession, laws of marriage, form as it were the foundations of any society or community. Hindus and Muhammadans have their laws which are drawn from the *Shastras*, etc., and those laws of succession, marriage, and divorce, which apply to Indian Christians at the present day, were not made to suit the requirements of that society, but though they had been originally framed to suit the requirements of another society, they were extended to this society. So it was really like putting new wine into old bottles. The result has not been very favourable, but simply because there is no representative of this community on this Council, the inconvenience which it suffers has not been brought to the notice of the Government. The last census shows that between 1901 and 1911 the community has grown by 32·6 per cent. It has been more than doubled since 1881 and it has been trebled since 1872.

"In referring to this matter, I should like it to be distinctly understood that it is not my intention, far from my intention, to disturb any of the existing representatives in this Council. The Indian Christian community have been treated with kindness and confidence by the Hindus, Muhammadans and non-official Europeans. Electorate bodies consisting of these men have elected Indian Christians as their representatives in the Legislative Councils. I would be earning for myself and for the community ingratitude if I were to say that there should be a seat for the Indian Christian community at the expense of any other community. But what I do believe, Sir, is that there is ample room if the latch of the door is a little slackened, there is ample accommodation for one more seat. I will conclude this part of my appeal with the Latin expression *at spes non fracta.*

"Reference has been made, My Lord, very often in this Council to the industrial problem before us and the question was raised in very eloquent terms by the Hon'ble Mr. Banerjee when he was addressing the Council a few minutes ago. The insistence with which this question has been brought forward, the earnestness with which it has been pressed forward, shows that there is a very strong feeling in the country about it. At least I should like to draw the attention of Government to the existence of such a feeling. The feeling in the country is that Government ought to feel its obligation to help the development of industries in this country. Every Government, of course, is under the obligation to develop the industries of the country in order to bring about and increase the prosperity of the country; but in this particular case an additional moral obligation has been superadded. There has been an industrial awakening in the country during the last few years, and this industrial awakening has led to a study of the industries of India in the past. As a study of history of the past has led the people to believe that the decadence, decline and the present wretched condition of industries in India are due to a great extent to the insalutary influence of British rule. That is the feeling of the country and hence arises a moral obligation on the part of Government. That is the feeling of the weaver who has taken to the plough, leaving his loom; that is the feeling of the artizan whose hand stands paralysed to-day; that is the feeling of the artizan's son who took to English education with a view to get employment as a clerk, but failed to secure such employment; and that is the feeling of an old man who has associated intimately with artizans during the last quarter of a century and has noticed their struggle for existence. We Indians, My Lord, always look upon people in authority with feelings due to a father and naturally expect sympathy from them. I know feeling is mere sentiment, and a sentiment has no value at the Royal Exchange in London; but a sentiment is an invaluable asset to the credit of a foreign Government. I do not wish to go into the details as to how and under what circumstances British influence exercised an insalutary influence over Indian industries. That may land me on dangerous ground. That may lead me to exhume the bones of people in authority who exercised their influence and the influence of their position and authority to bring about injury to the interests of India and such dead bones turn living human beings into dogs. At a time like this, when we were driven the other day to the necessity of passing an emergency measure for the safety of the Empire, I do not propose to enumerate or analyse or examine the reasons. I have very often noticed that the Hon'ble Member in charge of Commerce and Industry in his replies used the expression 'Government cannot do this, Government cannot do that.' While listening to his replies sometimes, My Lord, I felt as if I was listening to the voice and the sentiments of the London Chamber of Commerce, and I admired his speech as a successful feat of ventriloquism. My Lord, such replies in a debate in this Council do not produce the balm of Gilead to disappointed feelings; they simply tend to intensify the feelings.

"My Lord, I feel that, at no time in the history of England were the principles of international justice, the principles of international morality, and those noble principles which regulate the reparation for wrongs done by a stronger nation to a weaker, at no time were these principles so prominently before the British nation as they are now; in consequence of the wrong done by

Germany to Belgium. The whole nation's sympathy has been aroused. The whole nation has been roused with righteous indignation and millions have formed themselves,—the whole nation in fact, young and old, rich and poor, have formed themselves into one body, one soul,—the whole nation is (as if it were one man) inspired with a martyr's fiery zeal. On the other hand, we have a Viceroy whose keynote of administration has been sympathy for the people and confidence in the people, and who has abided by that policy in times of suffering, bereavement and trial. I should at this time beg, entreat and beseech the Hon'ble Member in charge of the Department of Commerce and Industry (unfortunately he has gone away at this time) to take note of this : not only to concentrate his attention on the economic principles which govern commerce in England, but to take note of past events in the past connection of England with India ; to take note of the moral obligation which arises out of that past connection, and to address himself to the problem before him ; to take the people into his confidence and then to sit down and see if anything cannot be done to help the people in this industrial awakening—"

His Excellency the President :—" I must ask the Hon'ble Member to conclude."

The Hon'ble Mr. Das :—" I beg to conclude."

The Hon'ble Mr. Dadabhoy :—" My Lord, the Finance Minister who can do without additional taxation in spite of an estimated deficit of 9½ million pounds sterling in the two years covered by the Financial Statement, certainly deserves the best thanks of the country. I do not know which to admire most in the Hon'ble Sir William Meyer,—his sympathy, his level-headedness or his resourcefulness in a situation the inherent difficulty of which has been increased tenfold by its extreme uncertainty. The maintenance of exchange for one thing, was enough to strain to the utmost the energy and the capacity of a lesser genius. The financial trouble of 1907 and 1908 was as nothing compared to the present crisis, and yet sterling exchange is as firm to-day as ever, and Council Bills for fairly heavy amounts have begun to be placed on the market at 1*s.* 4*d.* for Telegraphic Transfers and $\frac{1}{32}$nd penny less for D. A. Bills. The tone of the market from all reports is very firm. This is a complete answer to Mr. Enever Todd's alarming description of the situation in the *Investor's Review*. If trade had continued as dull as in autumn last, a further and dangerous depletion of the Gold Standard Reserve would perhaps have become inevitable ; but indulgence in hypothetical complications is needless. The position is decidedly brighter now than it ever has been during the last eight months, and it is but just that the Minister who has steered us safe through the crisis should have our warmest felicitations.

" My Lord, the financial strength of Government, so skilfully maintained by the Hon'ble Sir William Meyer, ought to inspire general confidence. Of the net estimated deficit of 9½ million pounds sterling referred to above our special war expenditure accounts for 6·7 million pounds sterling. The balance is less than the amount of normal annual borrowing for capital outlay on railways. Ample provision has also been made for railway expenditure in 1915-16. Indeed, practically the whole of our estimated borrowings next year will be necessary for financing our railways and irrigation works, the capital outlay on both being taken at £9·1 million pounds sterling. And this despite of a heavy falling-off in revenue synchronous with extra heavy unremunerative expenditure. The total of our ordinary debt, as the Hon'ble Finance Minister has pointed out to us, is negligible. It has gone on diminishing heavily, until we have reached the extremely low level of 12·8 million pounds sterling against a productive debt of 261·4 million pounds sterling. The Rupee Paper too continues firm. The total unfunded debt of 20½ million pounds sterling is not onerous. The Government Reserves are ample, and the estimated closing provincial balances at the end of 1915-16 are sufficiently strong. The whole position is thus satisfactory. There is absolutely no cause for alarm. On the contrary, business is looking up, and the prospects of normal revenue are distinctly encouraging.

"My Lord, the announcement in the Budget relating to the proposed Rupee Loan demands a few observations. The Hon'ble Sir William Meyer has made a significant reference to the terms and the character of the loan. Evidently, this issue will be of a special nature. There is absolutely nothing to be said against the reservation by Government of complete liberty of action. All announcements of loan are subject to this necessary condition. What is peculiar in the present statement is the allusion to a possible variation in the usual terms. We do not know what schemes the Hon'ble Finance Minister has in view, and it would be premature to attempt to make any helpful suggestions; but my submission is that Government will be pleased to very carefully consider the probable effects of a change in the level of interest upon the existing heavy loans. I do not suggest that a change is unnecessary; on the contrary, I am of opinion that if in the exceptional condition of the market the three-and-a-half per cents do not gain in popularity within a short time, the proposed loan must carry a higher rate of interest to make it attractive to the Indian investing public. But the possible results of such a change must receive due consideration at the hands of Government before it is made. Should the present market for three-and-a-half per cents be further depressed, it will have the effect of a heavy imposition which is likely to cause not only loss to the holders, but discontent. There is also the necessity for caution lest an increased rate of interest forces Government Paper into an undesirable competition with the Port Trust and Municipal Debentures. The position requires delicate handling, and it is eminently desirable that the conditions of the new loan should be settled by Government in consultation with financial experts and dealers. The Hon'ble Finance Minister will have a precedent for the suggested course in the procedure adopted by the Chancellor of the British Exchequer not very long ago with conspicuous success. A secret conference of a few trusted representatives should be able to give Government sound advice in this matter of the new loan. The question of issuing metallic 4 per cent Bearer Bonds for small amounts, redeemable at short notice through the Post Office, may also be considered by Government before determining finally the particulars of the proposed loan. These will possibly attract into the field a new and humbler class of investors.

"My Lord, the war has focussed public attention in India on the Post Office Savings Banks. The institution is popular, and discharges very important functions. The deposits had gone on increasing heavily until the war created somewhat like a panic among the common people which led to sudden withdrawals. This of necessity caused a great strain upon the financial resources of Government, at a time when they were adversely affected in various other ways to an enormous extent. It has likewise caused a large loss of interest to the misguided depositors. It is welcome news that 'the drain has materially slackened'. Before long we expect a healthy reaction. But I would request Government to consider the advisability of increasing the rate of interest upon these deposits by, say, half a rupee per cent. We have here to deal with a poor class of investors to whom any favours shown in this direction will be most welcome. Sometime ago the rate was higher. I do not know why it was reduced; in my humble opinion, a slight increase will popularise these banks still further, and Government will have always ready to hand an increasingly large amount of cash for remunerative employment. The Hon'ble Sir William Meyer has done a great deal to make the deposits attractive. I hope he will increase their attractiveness in the way suggested even though it involves a small addition to our annual expenditure in interest charge. Rupee Loans are floated generally at a discount; the interest is paid on the face value. It would be far more economical to pay the same rate of interest upon a debt which is raised at par.

"My Lord, the Hon'ble Finance Minister has very thoughtfully added to the Financial Statement a detailed account of the provincial balances. It is helpful to a degree. The value of the annual Budget would be still further enhanced by the addition of a detailed statement of the expenditure for Education and Sanitation, both Imperial and Provincial, recurring and non-recur-

ring. In the Financial Secretary's Memorandum details of the Capital Expenditure for Railways and Irrigation are shown separately. It helps the public to have a clear grasp of the situation. An account, on similar lines as far as possible, regarding our Expenditure for the promotion of education and sanitation would dispel misconceptions, though it is not capital outlay, and would give us a knowledge of the details which is the first enabling condition for helpful criticism. At present we cannot ascertain from the memorandum what and how many schemes are proposed to be financed and what and how many are held back. This absence of fuller information may, and sometimes does, give rise to misapprehension.

"My Lord, the serious situation created by the unexpected depression in cotton has been handled by Government with commendable promptitude and boldness, and it is just to mention that the action has had upon the people a great moral effect. Prices have stiffened somewhat; a still better tone should prevail in the trade before the next *kharif* is sown. The important question, however, that confronts us is, whether the cultivation should actually be restricted. I would not, upon the materials before me, hazard an opinion one way or the other. I only submit, for the consideration of Government, that careful inquiries should immediately be made, with a view to ascertain the quantity of unsold cotton in the market. If in the result it appears that there is still a large stock of it, the proposed restriction upon cultivation should be enforced; if, on the other hand, the inquiries show that the stock is small, all restrictive action on the part of Government should be abandoned. Cultivation cannot be changed all at once without some inconvenience and loss to both the cultivator and Government, as in the event of a change a revision of the revenue assessment on a lower scale must become necessary. Any further interference with the normal course of cultivation should accordingly be undertaken after a close examination of the needs of the trade.

"My Lord, the Hon'ble Sir William Meyer has referred to the injurious effects upon the internal trade of the stampede among the Marwaris at large business centres. It was an imprudent move, inconsistent with the shrewd business habits of these people. It is, however, a reassuring fact which Government ought to know that individual Marwaris here and there did stick to their business, and prominent among them was the Hon'ble Diwan Bahadur Sir Kasturchand Daga in the Central Provinces. This premier banker in India was throughout the crisis always ready to finance trade, and did finance a large volume of it even at some personal sacrifice.

"My Lord, in dealing with the Financial Statement on 9th March current, the Hon'ble Home Member drew public attention to the paramount necessity of increasing our expenditure for the Police, and, truly, a more important department of civil administration it is difficult to find. The Police force, connected as it is with the every-day administration, renders perhaps a greater service than even the military. I have as high a conception of the arduous duties of the police as the Hon'ble Sir Reginald Craddock, but I go further even than he in my recommendations for larger expenditure for the department. In my humble opinion, there is ample scope for the profitable employment of all the funds that the Government can spare for this purpose for years to come. The Indian Police Commission found that 'the police force is far from efficient; . . . it is generally regarded as corrupt and oppressive; and it has utterly failed to secure the confidence and cordial co-operation of the people'. Efforts at improvement have been made all these years at some considerable expenditure, but they have so far touched only the fringe of the problem. The public verdict to-day is hardly more favourable. The great defect is the Police is as disassociated from the people as ever, and does not enjoy their confidence. This cannot be all the fault of the people. The Police must inspire public confidence and attract public co-operation. It has admittedly not done this; it has thus failed to discharge one of its most important functions. This absence of confidence and co-operation between the Police and the people is not endemic in India. It was noticed even in England by the

English Police Commission of 1839; but whereas there the Police has by its subsequent excellent conduct become the trusted friend of the people, the Indian Police, by following an opposite line of policy, is becoming isolated more and more every day, shunned and distrusted by all. The Indian Police Commission made certain recommendations for improvement on the analogy of the Indian Judicial and Revenue Departments, but these did not go far enough. In my humble opinion, the Provincial Police Service should be placed on the same level as the Provincial Judicial and the Provincial Executive service, with the same scale of emoluments and the same position, and the qualifications for appointment to it should be as high. It is only by the large admission of men with the highest educational qualifications into the service that it can be effectively improved. Patchwork reform will not do, but a root-and-branch reform is needed. A sprinkling of graduates among a large mass of indifferent material cannot effect much. It is a matter worthy of notice that the experiments so far made in some provinces of appointing a few lawyers to the Police Service as Court Inspectors appear to have failed. Most of them, especially in Bengal, have left the service after several years. There must be some reason for their action. It is not every lawyer who earns a handsome income at the bar; yet why is it that these lawyers have preferred to face starvation there to continuing in office under Government with pay prospects? This is a case for inquiry, and the sooner it is undertaken the better for all concerned. Investigation of cases also is as unscientific as possible. An expert from London should be able to suggest a remedy for the existing evils. The cost incurred in securing the services of such an expert will be money well spent. I am confident this matter of Police reform will engage the earnest attention of Government.

"My Lord, we are to-day afflicted by the thought that before we meet again at Delhi, Your Excellency will have completed your term of office. Your Excellency has by your remarkably able and sympathetic guidance, inspired in the people such great confidence that the prospect of your retirement before the war comes to a successful termination is not only distressing to them, but is viewed by them with deep and unfeigned concern. Amidst physical suffering and bereavements, amidst administrative worries and dangers, Your Excellency has been as a rock unmoved in your firm faith in the nobility of your mission and the high purpose of your enlightened statesmanship. India can ill spare such a Ruler now. As a representative Member of this Council, I humbly pray that His Majesty will be graciously pleased to extend Your Excellency's term of office at least till the war is over".

The Hon'ble Maharaja Manindra Chandra Nandi:—"My Lord, I congratulate the Hon'ble the Finance Member on the highly satisfactory able and clear Financial Statement that he has presented to the Council. During the financial year that is about to close the Government have had to deal with an emergency as unprecedented as it was unexpected. This time last year no one in this Council had any premonition of the war which is now raging and the Budget for 1914-15 was prepared on a peace basis. Nevertheless, since August last and onward war conditions with all the consequent dislocation of trade, financial panic and falling off of revenue have prevailed and yet, as the Hon'ble the Finance Member has proved to conviction, the financial position of the Government of India was never stronger than it is to-day. True, the estimated surplus of £1¼ million for 1914-15 has been converted into a deficit of £4 million, while under Unfunded Debt there has been a drain of nearly £7 million. But this does not by any means disclose an alarming position of affairs in view of the heavy strain caused by the war.

"The revised estimates for 1914-15 show decline of revenue under many heads, the largest being under State Railways. An unfounded sense of insecurity led to large withdrawals from Post Office Savings Banks. The trade with enemy countries entirely ceased, while trade in other directions languished. The position became as grave as can be conceived and we are still in the full tide of the crisis. But the credit of the Government remains unshaken and the financial position is as sound as ever. To other difficulties that the Government have had to face has been added the alarming rise in prices which has

led to the restriction of the export of wheat. It is gratifying to note that prices are now easier and the prospects of the next crops most cheering. In the budget estimates for 1915-16 no additional taxation has been announced and this is a fact upon which the Government must be congratulated.

"The Hon'ble the Finance Member proposes to raise a loan of 4½ crores later on in India, or to increase the borrowing from the Gold Standard Reserve. He has rightly proceeded on the assumption that the war may continue throughout the next year. The reduction of the Railway programme from £12 to £8 million is a wise step and the curtailment of expenditure in other directions is inevitable. It is particularly gratifying to me that, as announced by Your Excellency a few days ago at Calcutta, 10 lakhs of rupees have been given to the Calcutta University for hostels. The sanitary condition of Bengal is very bad, some additional allotment under this head would have been a great boon in Bengal.

"My Lord, the terrible drain in men and money demanded by the war shows as yet no signs of abatement, but we are convinced that the worst is over and the tide will soon take a decisive turn. When at length peace is restored, the British Empire, of which India is so important a part, will enter upon a fresh period of financial and material prosperity".

The Hon'ble Mr. Marshall Reid:—"My Lord, on a previous occasion I referred to this Budget as being essentially a business-like one, and it certainly cannot be described in the language of high financial authorities as 'over-cautious.' It forms a pleasing contrast to a budget of not very many years ago when, to meet a not unusual temporary strain, taxation, some of it of a rather parochial and petty character, was resorted to: unfortunately this temporary taxation, like its great predecessor the income-tax, has still continued with us. To meet the unusual situation unusual borrowings have been necessary, and we have again in this connection to recognise the acumen of the Hon'ble the Finance Minister: low discount rates in London evidenced the large sums of money which were awaiting investment and the Government have very properly resorted to that market. Where can English money find more secure investment than in a prosperous and loyal India with enormous securities in its railways, and—in spite of what some of my colleagues have been saying—very profitable railways indeed? Railway construction, for which some of us have pressed, incidentally provides gilt-edged securities which on occasions like this stand us in very good stead. We have cheerfully accepted eight millions as our railway allotment for the coming year, but we hope that the deficit will in future be made up to us, and that a higher standard, something like 15 or 16 millions, will be adopted for the future.

"I desire to offer one little criticism on the budget: the possibility of a 4½ crore rupee loan has not been well received in the market, and a good market is of paramount importance to Government: I assume that the operation is not seriously contemplated, and no doubt the Finance Minister has other alternatives up his sleeve: I would suggest that he should put those other alternatives in the forefront and put the 4½ crore loan in the background.

"I regret, My Lord, it has been necessary to retard the progress of New Delhi. Some Hon'ble Members and their constituents may have reasonably considered that the scheme has its defects as every scheme in this world has: but it is a settled fact, sealed by the command of the King-Emperor and supported by the very strong argument of decentralisation. I hope that the Delhi to be—call it ceremonial or what you will—will not take long to quicken into a living city.

"The development of indigenous industries has taken a very prominent place in the budget debate. I regret that no practical conclusion has been arrived at, but it is no wonder, for it is indeed a very complex problem. Hon'ble Members have generally been agreed that the disease of backwardness

exists, and they have almost all suggested the same remedy, Government financial aid, but I have not heard any serious attempt to diagnose the disease. My own personal experience in industrial matters is somewhat limited, but I would offer my suggestions for what they are worth: the first essential in industrial success is industry and energy: are the people of India industrious and enterprising in the Western sense of the word? I fear the answer must be, 'No!'. I have not myself during my experience seen any great industrial enthusiasm: I know of classes of workers whose hours and whose days of work are regulated by the price of food-grains, and whose ambition is limited by the immediate needs of the mouths they have to feed. Then there is the rather better educated class whose western counterpart combines brains and hands in harmony to raise the standard of industrial development: that better educated class which we have in India and which we should expect to do this work, have not yet fully appreciated the dignity of manual labour: under such conditions progress and efficiency in industry must remain imperfect. There was a striking illustration at the outbreak of the war as to the extent to which Indian industry has progressed: merchants sought to replace German wares in the Far East and other markets by Indian manufactures. My own experience and that of many others was that we were met with the reply that Indian manufactures were unreliable, irregular and could not be guaranteed. The remedy must be slow, and it is difficult to know where to begin; but much will be gained if the disease and the trouble can be truly diagnosed. The perspective of the question has been somewhat upset by the assumption that German industry and enterprise were to be destroyed, and were to be replaced by indigenous industries which would grow up in a night. But Hon'ble Members should be under no delusion in this matter. It has taken years of patient toil to develop the spirit of industrialism in Germany and it cannot be destroyed, for it is the very life-blood of the country.

"Those who know the facts will confirm what I have said and will not desire for the good of the world to see German industries and enterprise destroyed. India, in her own interests, certainly cannot wish to see German industries destroyed, for when the end of the war comes we shall look to regain one of the largest and most important markets for the produce of this country. The fate of the British dye scheme shows that England fully recognises the essential features in the position: the original scheme provided for £1½ millions of Government money and £3 millions were to be subscribed by those who were interested in the manufacture. A fortnight ago we learned by telegram that the scheme had been altered to £1½ millions Government money and £½ millions public money: we learned yesterday that the scheme had been dropped entirely because hard-headed Englishmen and hard-headed Scotchmen had made up their minds that to compete in the market against a foreign article for which they are not well placed is mere waste of money. Now, what can Government usefully do in the way of developing industries in India? Hithereto, from my own experience I can say that they have done much useful work in demonstration; the practice has been for Government, when they are satisfied that an industry is likely to succeed, to buy experimental machinery and lease it to those, whether Europeans or Indians, who are willing to take it up, work it, develop it and report to them the results. Your Excellency, I regret to say that there is only one Presidency in India which is completely equipped in this respect. If I were to make a recommendation to Your Excellency's Government it would be to lay aside a considerable sum,—even take a little from our railway allotment of 15 millions—in order to equip and develop departments of industry in this country. I finish as I began by congratulating the Hon'ble Member on his most business-like budget and trust that the courage which he has shown in framing it may be duly rewarded."

The Hon'ble Raja Abu Jafar:—"My Lord, I have no desire to criticise the Budget or to discuss the various aspects thereof. But I cannot refrain from expressing my entire satisfaction at the fact that the Finance Member has been able to produce such a satisfactory Budget at such an abnormal time without imposing fresh burdens on the country, which in her

present economic condition she is quite unable to bear. It is a triumph for which the Hon'ble the Finance Member deserves our heartiest congratulations.

"As a representative of the United Provinces I cannot help expressing the deep feeling of disappointment with which the people of my Province have heard of the attitude adopted by the House of Lords in the matter of the creation of an Executive Council. My Lord, it was a wise and necessary measure of reform which Your Excellency's Government recommended Parliament for acceptance. Our Province has been fully ripe for such a reform for many years. It is obvious that the Governors of the provinces are overburdened with the heavy and daily growing work and responsibilities and under such circumstances an Executive Council was most essential in the interest of greater efficiency in the administration. In the course of the debate in the House of Lords it was pointed out that only a small body of opinion in our Province was in favour of this proposal. With due deference to their exalted knowledge, I may be permitted to say that this statement is quite contrary to actual facts. I know that an overwhelming consensus of opinion in the United Provinces is keenly in favour of such a reform, and I earnestly trust that the Government of India will again press the attention of the Home authorities to the urgency of the reform and secure the necessary sanction at an early date."

The Hon'ble Mr. Barua:—"My Lord, I take this opportunity of joining hands with my colleagues in congratulating the Hon'ble Finance Minister for so successfully wading through a year of great strain and stress. We cannot but admire the great tact and foresight with which he manipulated the extraordinary financial situations created during the year from time to time. The prompt steps he took to avert a threatened break in exchange, the timely strengthening of the Presidency Banks and the credit of the Post Office Savings Banks, the facilities for easier encashment of Currency Notes, all speak of the great resourcefulness and ability of the Hon'ble Finance Member, which not only saved a threatened financial crisis and dislocation of trade and commerce, but had also important political consequences in restoring confidence of those who were upset by misguided theories about the war. The adjustment of the finances to different heads of expenditure, allowing progress on all heads with only such restrictions as are unavoidable, similarly point to the great skill and practical wisdom of the Finance Minister, which we cannot but admire. The changes in some forms of accounts which he has introduced both this year and the last are also of much practical utility and I feel sure have been greatly appreciated by many of my friends as by me. We are grateful to Sir William Meyer for all the pains he has taken, and we are happy that at such a critical time we have the services of so able, cautious and sympathetic a Finance Minister. We are equally grateful to Your Excellency that your broad-hearted sympathy and feeling for the people of India have saved them from any fresh taxation as a consequence of the war.

"If we review the spirit of this Session of our Council we feel, from the interpellations made and resolutions moved, that the things that have greatly exercised the minds of the Indian Members are the high prices of food grains and the development of industries. These two questions are really predominant everywhere to all thinking minds in India.

"The Hon'ble Commerce Member has given sympathetic consideration to both so far as they have been brought forward. The bold and comprehensive step —as he calls it—which is going to be taken about the export of wheat is perhaps the best under the circumstances stated and reasons given by him, and I greatly hope that the desired relief will come out of it and it will prove to be the best and most reliable method. I am sorry to find, however, that the project appears to be confined to wheat alone. It is not the fact, however, that the rise of prices is confined to wheat alone; it extends to many other food grains and stuffs in a greater or lesser degree. It will of course be absurd to ask the Government to take the same steps with regard to all. But one other item there is which, I think, deserves equal treatment—I mean rice. As wheat is

the staple food in some parts of India, so is rice in many other parts; and the rise of price has been as significant in the case of rice as in that of wheat. I understand there is an export duty on rice exported from Burma. Much of that rice comes to and is consumed in Bengal and Assam too. So the effects of that taxation does not so much come to the relief of India. The rise of price in Bengal and Assam has of late years been phenomenal, and this year the price in some districts of Assam has been singularly exceptional. I think rice therefore is also a commodity in regard to which the same precautions should be taken as in regard to wheat: and I greatly hope that the Hon'ble Commerce Member will see his way to include both rice and wheat in his scheme of Government control of export.

"With regard to industries we are grateful for all the steps that the Hon'ble Mr. Clark has shown us have been taken. I venture to think, however, that those steps are not enough to meet the present situation and aspirations of India. The question is a vast one and cannot be discussed or decided off hand. India cannot be judged on the lines of England in respect of her industrial undertakings or propensities. And the policy that works well in England cannot be expected to apply to India. She looks to the Government to shape her in the industrial field by special measures suitable to herself. The question of developing Indian industries has been exercising the minds not only of the Indians alone but also of many European officials who are anxious to push India on to prosperity; as one of them I may point to our good Commissioner to my right. But under the present policy of Government they have to make a halt when they come to the question of ways and means. I respectfully submit, My Lord, that a more extensive and liberal policy is necessary to be shaped for India on its own lines. Nothing short of a policy like the Railway policy will meet the demands of the country, and I feel convinced the country will be prepared to bear the burden. Bounties, subsidies, and even partnership by Government as well as guidance and supervision are in the present stage of India necessary to induce private capital, which is so shy, to come out to the field of enterprise; when the people will under such guidance and support be widely and extensively trained in western methods of business and will begin to have a confidence in their own undertakings, there will be no longer any need of such extra privileges; but till then the Government should I think be prepared to conceive and shape a comprehensive policy to help the people. It is not the time to-day to dilate on this vast subject. All I beg to submit is that it will be no labour lost to Government to consider seriously the subject and formulate a policy of its own to make possible the rapid development of this vast Empire into an industrially and commercially prosperous country.

"Not the least important of the works of this Council is the introduction of the Hindu University Bill, which has been hailed with satisfaction by many of my hon'ble colleagues and introduced with such a charming and sympathetic speech by the Hon'ble Member in charge of the Bill. This Bill will mark an epoch-making change in the policy of Government hitherto followed in the matter of education. I must admit that I have not as yet been able to disabuse myself of the misgivings shared by some of my friends about the ultimate effects of the new university and the altered policy of the Government. Let us hope that the outcome of this University will not be a revival of all the mischief that Hindu orthodoxy had brought upon India in the past, that it will not re-enact the domination of caste over caste and the creation of faction over faction, making the regeneration of India on modern lines impossible or remote, that it will not counteract the unifying influence of English education or make Hindus, Muhammadans and other sections of the Indian population vie with each other in moving on parallel lines which can never meet.

"To speak a few words about my own Province. In my speech on this occasion last year I alluded among other things to the great and trying need of the Province for improved communications. This year I intend to return briefly to the same subject and to mention in particular the matter of railway extensions. The opening of the superb Hardinge Bridge should see the dawn

of a very bright era in the matter of increased railway facilities for Assam. With the Eastern Bengal Railway line made broad gauge (a project which all interested devoutly hope will be accelerated) as far as Amingaon and Tangla will give no breach of gauge between Lower and Central Assam and Calcutta. The extension of the Eastern Bengal Railway system from Tangla up the north bank of the Brahmaputra into the important tea districts of Darrang and Lakhimpur is a matter which should continue to receive due consideration; such extension would benefit not only the exporters of tea but the people of the north bank of the Brahmaputra generally and would also give Government another important strategic line to the north-east frontier. Then there is the question of linking up Assam and Burma by railway, a subject alluded to in Your Excellency's speech on the occasion of the opening of the Hardinge Bridge. Burma, I venture to think, will be as interested in such a scheme as Assam, especially those who have cause to remember the recent exploits of the *Emden* in the Bay of Bengal. We shall be interested to hear the results of the several reconnaissance surveys of routes for such a railway, and we hope that this very important matter will continue to receive the very careful attention it deserves.

"Another point that I would take the liberty of briefly alluding to on this occasion is that the Province is keenly feeling its complete want of representation in the bench of the Calcutta High Court, within whose jurisdiction the Province has all along been put. Up to date there has not been a single Assamese Judge in that honourable Court. The want of qualified men might have been a cause of this in the past. But now, I venture to think, that cause no longer exists and there are men fit to hold the post of a High Court Judge, and I hope such men will not be wanting in the future. I greatly hope and sincerely pray that in the interests of and in justice to the Province Your Excellency will be graciously pleased to give the matter your due consideration.

"In conclusion, My Lord, may I be allowed to submit that Your Excellency's approaching retirement is really becoming a matter of grave concern in all parts of India. We feel that the saddest moments of Your Excellency's life have been spent in India, and it may be cruel to ask Your Excellency to spend more of your time in the service of this country; but if we can do so without hurting Your Excellency's feelings we would solicit that if His Gracious Majesty, in response to Indian feeling, be prepared to extend Your Excellency's period of Viceroyalty in this Empire at least till the end of the war and perhaps for six months afterwards, Your Excellency may be pleased to consent to vouchsafe to us the privilege of being governed by you till then."

At this point the Council adjourned till half-past two. On re-assembling—

The Hon'ble Sir Fazulbhoy Currimbhoy said:—"My Lord, the exceptional circumstances of the year enjoin upon us caution in dealing with the Financial Statement and the excellence of the Budget for the ensuing year limits to an inconvenient degree the scope of useful comment. The Hon'ble Sir William Meyer has taken the country by surprise by squaring the accounts without fresh taxation. It is a bold attempt in which he has the good wishes of the whole community. I beg on behalf of my constituents to congratulate him on his Budget. The chief point of interest is that he has made the country almost forget the serious economic and financial effects of the war.

"My Lord, the Hon'ble Finance Minister is right in providing for a fresh Rupee Loan. I have always held, and I emphasised the point last year, that the Indian money market is not fully exploited by Government for their annual borrowings. In the current financial year the Hon'ble Sir William Meyer for the first time raised the amount of Rupee issue to five crores. He may have had his doubts, but I never had any doubt about the success of his policy. In fact, I pointed out that more than five crores could easily be

raised and the facts of the last loan have amply testified to the soundness of my contention. The total amount of tender was nearly 12 crores (R11,76,57,900) and the average rate of accepted tenders was R95-9-7. It may be that one Province took up the loan more largely than another, but that does not affect the position of India as a whole. The point is, more money can be raised in this country. Ordinarily, therefore, we should look to the Indian market more than the London market for funds for our capital outlay. It is more to our interest to borrow largely in India. Since the War has introduced new conditions into the market, I share the doubts of Government that unless it is over shortly, the whole of the 4½ crores wanted this time may not be raised on the usual terms. The Hon'ble Finance Minister has reserved to himself the right to vary the terms according to the needs of the situation. I only hope he will bear carefully in mind that, although the higher rate of interest may ensure the success of the new loan, it will as sure as anything damage the popularity permanently of the pre-war stock. This will be prejudicial to large interests, and perhaps to the success of our subsequent loans. There is thus need for extreme caution in floating the loan. It is indeed possible to counteract the effects of an increased rate of interest by regulating the conditions, and we await with anxious interest the Hon'ble Sir William Meyer's further pronouncements on the subject. If the proposed loan affects the pre-war stock to a large extent, the existing balances here and in England should be drawn upon more largely by Government.

"My Lord, the Hon'ble Finance Minister has also referred in his introductory speech to the character of the proposed loan. It is difficult to form an exact idea of what he means, and this is a matter in which a fuller statement would have been unwise. The only point I would now press upon his attention is that, along with the conditions of the new loan, he will be pleased to consider the advisability of issuing in future special 4 per cent railway loans. These are bound to be very popular.

"My Lord, I cannot condemn the curtailment of expenditure to which pointed reference has been made by the Hon'ble Sir William Meyer, but I beg to submit that it has caused difficulty in the provinces. In the Bombay Presidency many a necessary expenditure has had to be put off indefinitely. From the official speeches on our Provincial Budget it appears that Government had to reduce considerable amounts which Government had hoped to spend mostly on the Borstal Jail at Dharwar, and to reduce the expenditure on jails to its very minimum. The provision for the reorganisation of the police had to be cut down, so much so that 'those responsible for the administration could not acquiesce in any further curtailments'. 'Several important matters had to be deferred altogether'. The educational interests of the province have also suffered in consequence of the reduced expenditure, Government 'had to postpone some of their important schemes', and to omit 'a sum of one lakh for opening more schools and another lakh which was given for teachers for those schools'. Sanitation, too, has perforce to be neglected, for the time being, at least. 'Several applications for sanitary projects' had to be refused. But I frankly recognise this is to some extent unavoidable. We expect, however, that when the finances improve, the Hon'ble Finance Minister will treat the Province with extra liberality proportionate to the large sacrifice it has made this time.

"My Lord, our provincial expenditure leads me to examine the position of our provincial finance, and I think it is susceptible of improvement. My friend, the Hon'ble Sir Ibrahim Rahimtoola, raised last year the question of provincial settlements. As a matter of principle, the Provinces ought to have the whole income from the taxes that are either provincial or the proceeds of which are at present shared by the Government of India with the Provincial Government, and the Government of India should be satisfied with a lump contribution from the Provincial Government to be assessed in each case with due regard to local conditions. This contribution must of course be subject to periodical revision. The alteration is one of method relating to the collection of the Imperial revenue; a fixed payment is to be substituted for the

present fixed ratio. This would, of course, have the effect of rendering the Imperial revenue inelastic; and to neutralise the evils incidental to such a system, provision may be made for the recovery from the Provinces of exceptional and extraordinary contributions according to the needs of the Supreme Government, assessed on the same principle of provincial ability. Such a revision of the system of provincial payment would strengthen the financial resources of the Provinces, would equalise the conditions of adjustment, and would make the apportionment of provincial liability more equitable. The Provinces would thus have greater fiscal autonomy, and would be free to attain to a development suited to local conditions. If in addition, the provincial funds are made over to the Provincial Government for safe custody and application, subject to the maintenance of an irreducible minimum of balance, the inconvenience of restricted utilisation of large balances, such as is enforced by the Government of India on the present occasion, will be minimised. It is earnestly to be hoped that the Hon'ble Sir William Meyer will take the matter into his serious and favourable consideration. Provincial feeling is, I may point out, strong on this subject.

"My Lord, with a view to help the undisturbed progress of the provinces, an earnest effort should also be made to requisition the services of conciliation boards for the satisfactory settlement of all disputes between different sections of the population. These boards to our knowledge have been started at different provincial centres, and are believed to have rendered inestimable service. We hear less of *Bakr-Id* riots now. It is regrettable this Government has not got reports from the local Governments about their working. In the absence of official reports it is difficult to generalise, but I believe a great future awaits conciliation boards. With more settled conditions Government will find it to its advantage to take the whole question seriously in hand.

"But far more important to the whole country, My Lord, is the other question, namely, the question of emigration to the colonies, which await a statesmanlike and sympathetic settlement immediately after the war. The matter has not been discussed in Council this Session, not because of the absence of a strong local feeling, but because of the limitations under which discussion has had to be carried on, on account of the war. As a matter of fact, whole India is of one mind both as regards the necessity of emigration and the status of the emigrant in the colonies. The time has come when the question of some outlet for our surplus population should be settled in a manner agreeable to our ideas of self-respect and dignity as citizens of the British Empire. And we look up to Government here as also to the Imperial Government for a satisfactory settlement of this question with fervent and confident hope.

"My Lord, I have heard with deep interest the observations of my Hon'ble friend, Mr. Marshall Reid, about the indifference of the people of this country to industrial enterprise. I would like to say much on the subject, but I beg to point out that if Government be pleased to encourage large concerns floated by Indians, something may be done to divert popular energy into the fruitful department of industry. The success of the Tata Iron and Steel Works has been in a large measure due to the support received from Government.

"My Lord, I beg to invite Your Excellency's attention to another matter of some importance, to inconvenience of the existing procedure regarding the introduction of legislative measures in this Council. Bills are now introduced without the Members knowing anything about them previously. The result is that no profitable discussion can take place on the first day about their principle. No doubt subsequently, on the motion for reference to a Select Committee, Hon'ble Members have an opportunity of commenting upon the principle, but it is far more desirable that this debate should precede that motion. My friend, the Hon'ble Mr. Ghuznavi, drew attention to this only the other day, and I believe I voice the general desire of the Additional Members in my plea for circulation of Bills at least a fortnight previous to their formal introduction in Council. Government will not lose anything by the change

in the procedure. The interests of urgent bills are amply safeguarded by the rule under which Your Excellency can suspend the rules of business to enable the Council to consider the Bills at once. Bills of the Provincial Governments are circulated previously without inconvenience.

"My Lord, the whole Financial Statement is overshadowed by war. It is difficult to form even an approximate idea when it will end, but of this much we are sure, that it will end in a brilliant victory for the Allies and the imperishable glory of the British Empire. All India prays to the Almighty for its speedy termination. It has upset the business of the world. But even in these dark days of national trouble, we find matter enough for self-congratulation. The unwavering loyalty of the people of this country to the Throne has been demonstrated on this occasion in the most remarkable manner, and we owe it to this war that the various units of the great British Empire have been knit together to one solid whole, moved by one common sentiment and one common purpose. Never before has India presented such a united front for the defence of the Empire. The different Provinces are imbued with a spirit of healthy emulation. In the Bombay Presidency, though that province from its industrial and commercial position has been the most sorely affected by the war, we have raised forty lakhs of rupees for the War Funds through the admirable organisation initiated by His Excellency Lord Willingdon, and the Women's Branch is doing solid work under the inspiring guidance of Lady Willingdon. The Hospitals started by us for the sick and the wounded in Bombay and at Alexandria are the finest and such as any nation may feel proud of having equipped and organised. The history of all this zealous activity of the people is one, My Lord, of which Government may well be proud.

"My Lord, it is the universal wish of the people of the country that Your Excellency should continue to be at the head of the Indian Administration until we are entirely free from the danger of this war. We have abundant faith in your benevolence and high statesmanship, and we earnestly hope that His Imperial Majesty will be graciously pleased to grant us this our humble prayer".

The Hon'ble Mr. Ghuznavi:—"My Lord, the Hon'ble the Finance Member is entitled to the fullest sympathy of this Council and of the country at large in the difficult task with which he finds himself confronted this year owing to the exigencies of the times After a succession of surpluses during recent years we have come suddenly almost without a warning to a year, when our expected surplus has been turned into a deficit, and this abrupt change, which is accompanied by an uncertainty about the future, all the more aggravates the anxieties of the situation. My Lord, the imprint of war is writ large on almost every page of the Financial Statement that has been presented this year. It has seriously affected the two sources of revenue, namely, Railways and Customs, by the depression and dislocation of trade, with the result that whereas in the first four months of the year prior to the outbreak of war the Railway revenue was some £260,000 in advance of that of the corresponding period of the preceding year, in the six months following the outbreak of the war there has been a decline by £1,490,000. The revenue under Customs has also suffered a similar decline by nearly a million pounds less than the Budget anticipation. But happily such is the elasticity of Indian Finance that it has stood this rude shock uncommonly well. Speaking from his place in Council in 1909, the late Mr. Gokhale said, that never during the last 50 years previous to that period, was there such a deficit as that of 3¾ millions. Yet fortunately such is the recuperative power of Indian Finance that even under this heavy blow this year's deficit is less by a million than that of 1909. My friend, the Hon'ble Sir W. Meyer, is therefore all the more entitled to our warm congratulations that in the midst of this raging hurricane he has been able to steer his treasure-ship of State clear of all shoals and he has been able to do so so far without any additional taxation. I therefore desire to offer him my sincere

congratulations on the caution, foresight, clearness and withal firmness with which he has been able to frame this year's budget.

"My friend, however, struck a note of warning in the course of his speech when he presented us with the Financial Statement. He stated that he would not hesitate to propose additional taxation to make good the deficits should it hereafter be found necessary. We all sincerely hope that such a contingency might not arise. But if it were to arise at any time I trust my friend will allow me to make a suggestion beforehand as to the direction such additional taxation might take. I have heard it expressed in many quarters that if Government were in need of any additional taxation owing to the exigencies of the times, the only additional taxation that might be imposed without affecting very much the teaming millions of the country would be an additional income tax, as this would not be so much of a burden to the poor as it would be to the rich.

"*Sanitation—malaria.*

"I would, now My Lord, with your permission, like to say a few words on the situation of the country generally. The first question that deserves our serious attention is the question of sanitation. For it will certainly be agreed that we must first of all live before we can think of anything else. The Government has done a good deal in this direction in recent years but a very great deal yet remains to be done. In many parts of India, malaria is becoming a scourge and in Bengal particularly, it seems to be increasing in virulence. In reply to a question of mine on this subject in September last, as to what steps were being taken by Government to combat the ravages of malaria in different parts of India, particularly Bengal, my friend the Hon'ble Sir Harcourt Butler was pleased to refer me to the annual reports of the several Provincial Sanitary Commissioners. A perusal of those reports, however, is not very assuring. I therefore again respectfully urge on the Government to give their serious thoughts to this question and to appoint a commission composed of officials and non-officials in each of the affected provinces to inquire into the cause of the spread of malaria and to devise further means of arresting the mortality from fever, which is now so much on the increase.

"*Pasteur Institute.*

"My Lord, there is a steadily growing demand for the establishment of Pasteur Institutes in each province. Thanks to the courtesy of my friend the Hon'ble Sir Harcourt Butler, I was enabled two years ago to inspect the Pasteur Institute at Kasauli. When I was there, the authorities convinced me of the fact that after the recent discovery it was no longer necessary to locate Pasteur institutes in out of the way hill stations, but rather they should be attached gradually to the leading hospitals at the head-quarters of each of the presidencies and provinces. There is a persistent demand for it from all the leading associations in Bengal. My friend the Hon'ble Sir Reginald Craddock stated in this Council a few months ago that the Government of India have received no proposals from the Government of Bengal with reference to the location of a Pasteur institute in a wing of the School of Tropical Medicines in Calcutta. Since then many public bodies, notably the Rungpur Zamindar's Association, have memorialised the Local Government on the subject. What I would therefore suggest is that the Government of India should invite the opinions of all local Governments on the subject.

"*Education—Religious.*

"My Lord, I would next draw the attention of this Council to the educational needs of the country and particularly to that of the Mussulmans. We are all deeply grateful to Government for the educational policy which has been set out in the resolution on this subject issued two years ago. We are looking forward to the day when the policy enunciated in that resolution will be fully carried out. The backwardness of my community in matters of education is particularly appalling and I would again repeat in this connection what I

said two years ago that in this matter Mussulmans are entitled to a preferential treatment, which I am sure no enlightened and broad-minded Hindu would grudge us, for they must remember that our educational advancement is equally to their interest. My Lord, it is indeed sad to contemplate how backward the Mussulmans are. To take the case of only Bengal. We find that according to the last census out of every thousand Mussulmans there are only 41 who can read and write. The cause of this backwardness chiefly lies in the fact that ever since the establishment of the British *Raj* in this country, religious instruction suitable to Mussulman boys had been divorced from all educational institutions patronised by Government, and therefore Mussulmans did not avail themselves of these institutions to any great extent. I had the honour of drawing the attention of the Educational Member two years ago to this question, and I am particularly grateful to him for the circular which was issued by Government in April of that year to all Provincial Governments: and which in the case of Bengal has resulted in the formation of a Mussulman Educational Advisory Committee by the Local Government. This Committee is at present engaged in overhauling the entire question of Mussulman education. But unless Government are going to find the money for education in normal as well as abnormal times, it will not be possible to effect any real progress. If the existing revenue of the country was insufficient for the purpose, the Mussulman community would, I am sure, willingly submit to an additional Educational Tax.

"*Money accrued as interest on deposit in savings banks by Mussulmans to be used on Moslem Education.*

"Now, My Lord, when I am on this subject, I would like to draw the attention of Government to the sum of money however small to which Moslem community are justly entitled. In September last I inquired to know what was the total amount of money which had accrued as interest up-to-date from the time of the creation of the savings banks, on the money deposited in the said banks by Mussulman depositors who have not drawn any interest on their deposits owing to their religious scruples, and in reply I was informed that that sum had amounted to R2,84,283. This was up to 1912, and it would now probably amount to over 3 lakhs. It is clear that this sum of money has gone to increase the surplus revenue when there has been a surplus, and it has gone to lessen the deficit when there has been a deficit, such as this year. I would therefore respectfully urge that the Government would be pleased to take the first opportunity in ear-marking this amount so that as soon as the present hard times are over it could be spent on some object of Moslem education, such as towards the cost of building a hostel in any part of India.

"*Cause of Temperance.*

"My Lord, I would now draw the attention of this Council to the alarming spread of the drink and drug habits in India. During the last few years this evil has been growing apace and has now reached an enormous magnitude, and yet it is extending every day. I do not desire on this occasion to dwell at any length on the dangers, social and economic, that lie before this Empire should a rapid expansion in the consumption of alcohol and drug fix the habit of drink and drug-taking upon the people. I would only say that India has always been a temperance country in times gone by. What the Prophet of Islam forbade more than 1,300 years ago, temperance societies, associations and movements are now trying to do to-day. As far as I am aware, the Hindu religion does not also encourage taking of intoxicating liquors or drugs. Hence this evil of intemperance has come to the East along with the other good things from the West. During recent times the excise revenue has gone up by leaps and bounds. In 1890-91 it was, roughly speaking, 5¾ crores, and in 1912-13 it has gone up to nearly 12½ crores. We all know how poor this country is, and with what difficulty the labourer and the poor classes are able to earn a single meal a day, and yet the contribution to the excise revenue from drinks and drugs is increasing in volume day by day. If, in the interests of China our

Government could afford to forego an enormous amount of revenue from opium, are we not entitled to expect the same Government to forego proportionately a fairly less amount in the moral and material interests of the people committed to its charge? At the present moment absinthe has been forbidden in France and vodka in Russia. I need not recall Lord Kitchener's admonition to the soldiers on this subject soon after the commencement of the war. In France, where the champions of alcohol have a great following in the Chamber of Deputies from time immemorial, even there the *privilege de Bouilleurs de cru* has disappeared. It is high time therefore, I submit, that the Government of India should take some decided steps in the true interests of the people of this country. In this connection, I would ask the Government to consider the desirability of adopting some of the following means in checking these evils.

"In the first place the licensing function should be transferred from the Revenue authorities, the number of licences should be restricted, the maximum quantity to be sold in a day should be fixed, regulations with regard to the opening and closing of drug shops should be made more strict, the sale of alcohol and drugs to women and minors should be absolutely prohibited, and lastly, the principle of local option should be given largely to the people.

"Preferential treatment in matter of gun licences.

"My Lord, there is another matter to which, with Your Excellency's permission, I should just like to make a passing reference. It is the preferential treatment in the matter of gun licences and other arms and ammunition, extended to people other than the members of the British race, in this country. With the exception of the smallest minority, the majority of the people of India are loyal to the core. If anything has brought this out in bold relief, it has been this war which we all so deplore, though looked at from other points of view in some ways has been a blessing in disguise. The war has welded together as it were the different heterogenous parts into a homogeneous whole in loyalty and devotion to the mother country. Almost the whole of India of to-day is throbbing with an impulse to serve His Majesty with a devotion broad-based and deep-rooted in loyalty to the Throne. Such being the case it is but natural, particularly to these Indians, who are passionately attached with an intelligent loyalty to the British Throne and the Empire, to feel some sort of resentment when they find that the homeless Armenian, the wandering Jew, the South African, the German or the Greek and such other people receive preferential treatment here in India. Having regard to the unfortunate circumstances which are still present to tarnish the fair fame of Hind, I am certainly of opinion that the Arms Act must yet remain and must be administered with care. But if an Indian of the description I have referred to is obliged to take out a gun licence and renew it every year, why should other people be exempted from the same operation? In the case of an Englishman, if he is true to his race, his instinct will always keep him loyal and therefore when an exception is made in his case, there can be no feeling of resentment. But no such reason exists for making an exception in the case of others, although there are many amongst my English friends who are themselves of opinion that in the interest of British fairness and British justice it is preferable to make the Arms Act applicable alike to all. But that is not my point. What I would respectfully urge is that in the near future when our minds are more at ease and when under Providence victory crowns our arms and our enemies are crushed Government would be pleased to consider the question of so revising the Arms Act that there may be no cause for grievance on the part of loyal Indians who may be also qualified on account of their social or professional rank or position.

"Inquiry into the rise of price of rice.

"One word more and I have done. We were all gratified the other day when the Government saw their way to accept in an amended form the reso-

lution which my friend the Hon'ble Pandit Madan Mohan Malaviya moved with regard to the prohibition of all export of wheat from India or the taking of such other steps as may seem advisable to Government to bring down the price of wheat. In the course of that debate I also mentioned that there was a scope for inquiry in the same direction with regard to rice, having regard to the fact of the high price at which rice is selling in the major portion of Bengal, particularly in the north and east. I do not wish to repeat all the arguments which I set forth on that day, but as I did not perhaps make my meaning clear, I wish only to say that what I urged was not to prohibit entirely the export of rice but to leave it to Government to take such steps as Government may think fit to bring down the price of rice, as rice is equally the staple food of millions of my countrymen in my part of the country and as the rise in its price, owing to the peculiar exigencies of the times, is causing the greatest hardship. I would respectfully urge upon Government to make an inquiry with a view to ascertain what step, if any, be it in the shape of increased facility for the importation of rice into Bengal from other provinces or otherwise, may be needed to keep down its price, and I hope Government will be able to see their way to take this matter into their consideration.

"I have to refer on this occasion also, to my friend on the right and to say that in this matter he too, with a degree of kindness which I did not venture to expect, saw his way to give me his support.

"My Lord, I desire to associate myself with my friends from the United Provinces in all that they said with regard to the unhappy and unwise rejection of the proposal for an executive Council for that province.

"In conclusion, I desire to endorse every word that fell this morning from my friend, the Hon'ble Sir Gangadhar Chitnavis, with regard to Your Excellency. In a word, I may say Your Excellency has succeeded in winning the love, esteem and regard, both of Mussalmans and Hindus."

The Hon'ble Mr. Setalvad:—"My Lord, I have now been accustomed for many years in the Bombay Legislative Council on the budget discussion to find member after member getting up and congratulating the Finance Member on his skill, his acumen, his sympathy and every virtue under the sun which they discover in him. Coming here I find the same thing in this Council; and I suppose I am expected to join in the chorus. But let me assure the Hon'ble Finance Minister that I do so on this occasion in no conventional manner. The task the Finance Member had to perform on this occasion was really a very difficult one and, as my Hon'ble friend, Mr. Surendranath Banerjee has told us, everybody in the country expected that the new budget would bring in fresh taxation. We were all very agreeably surprised with the budget that was introduced when we found that the Finance Minister was able to make his proposals for the expenditure of the year without any fresh taxation at all, and I do hope that circumstances will not so supervene as to force him to have additional taxation in the future.

"Coming to the heads of the budget, particularly referring to that of education in which I take special interest, the budget shows that in spite of the stress and strain of the present circumstances, the budget estimate for 1915-16 exceeds the revised estimate of 1914-15 by 15 lakhs. But the report which the Hon'ble Mr. Sharp supplied us with yesterday is on the whole sad reading. We find there that although the total number of children attending schools in this country has advanced by 737,426 during the period from March 1912 to March 1914, still the percentage of those at school upon those of school-going age is only 19·6, the average for the whole country; and the situation is still more unsatisfactory when you come to examine the figures with regard to the boys and girls. With regard to the boys the percentage is 32·8 per cent; with regard to the girls the percentage as shown in the report is only 5·9. Considering the real value and necessity of education, I do hope and trust that means will be found, if not in this year, in subsequent years, to promote very largely primary

education specially and also to push on the interests of all other education. The same report shows, Your Excellency, that although the Government of India were in a position to make available to the Local Governments large amounts to spend on education, as much as 300 lakhs represent the unspent balances. I am quite cognisant that the report makes it clear that this figure does not really represent the actual unspent balance. But the report says that in any event such unspent balance would be at least 100 lakhs. This is certainly very disappointing, and the reason given is that the Local Governments have not been ready with the machinery to utilise the funds placed at their disposal and to give effect to the extension of education that was contemplated; and I find from the report that Bengal and Bombay have been the greatest defaulters in this respect. I do hope therefore that the Imperial Government will in future ask the Local Governments to quicken their pace as regards education, and also to lay down beforehand ready schemes for utilising the funds that may from time to time be placed at their disposal. In Bombay, for instance, on one occasion the Government had chalked out a scheme for three years for opening new primary schools and utilising grants that may be made available for the purpose. Unfortunately that practice was since abandoned and the result has been in Bombay that though funds were made available the Government were not ready with the machinery to give effect to the proposed extensions. I hope this would be impressed upon the Local Governments in future and that they will always be ready with the necessary scheme and machinery for the purpose of utilising the funds that may be placed at their disposal.

"I want, Your Excellency, to associate myself completely with what has fallen from my Hon'ble friend Pandit Bishan Narayan Dar with regard to the attitude of the Indians during the present crisis. They have combined and they have made up their minds to render whole-hearted support to the British Government and to show to the world how loyal and united India is in support of the Empire, and the result is that prophets of evil have been falsified and our enemies have been completely disillusioned; and further the bravery, not only the bravery but the initiative, skill and resource shown by the Indian troops on the field must have been a source of great gratification not only to Indians but to Europeans connected with this country. Your Excellency, as my Hon'ble friend Pandit Bishan Narayan Dar said, all Indians have agreed that the voice of controversy shall be hushed while this war is pending and that nothing shall be done while the war lasts to embarrass Government in any manner or to do anything that might have even the remotest semblance of making terms for their loyalty or for exacting terms for their loyalty; nothing of that sort, all Indians are agreed, shall be done while the war lasts. I may however say that the loyalty of all Indians, particularly of educated Indians, is what has been rightly termed in certain quarters a reasoned loyalty. They are loyal, they have been loyal, and they will continue to be always loyal, because they are fully convinced that it is only under the British Government and under the fostering influence of British administration that they can ever hope to attain in fullness of time that self-government within the British Empire which they look forward to and are entitled to look forward to. Therefore, Your Excellency, if Indians expect that on the termination of the war, which they hope will soon be brought to a successful issue, a definite step forward would be taken in that direction, they are legitimately entitled to expect and hope so; and, as I have said, they expect that to be done, not as any price of that loyalty, not as a reward for their loyalty, but as a thing that justice requires to be done, that is ripe to be done and the time for which is opportune from their point of view. Taking this view, I join again in the observations that fell from my Hon'ble friend Pandit Bishan Narayan Dar and also the Hon'ble Raja of Mahmudabad with regard to the unfortunate step that has been taken by the House of Lords with regard to the Executive Council for the United Provinces. Pained as one is at the action of the House of Lords, one is still more pained at the attitude taken by retired pro-consuls from this country, specially the remarks of Lord MacDonnell, who is reported to have said that Indians have got all that they should be given for

the present and for a long time to come. I do hope and trust that that does not represent the real responsible opinion of those who are at present responsible for the administration of this country. In that firm belief, Indians do not despair that when the war has terminated, a definite step forward will be taken in the right direction.

"And so long as England is able to produce and send out to this country statesmen of the calibre and sympathies of a Ripon, a Minto and a Hardinge, there need be no reason for despair in the matter. Here, Your Excellency, I may be permitted to join my humble voice in expressing the hope that has been expressed by many members before me, that it may be possible for this country to have Your Excellency for a renewed period and certainly till the expiration of the war."

The Hon'ble Mr. Rayaningar :—"My Lord, the Financial Statement has relieved us from great anxiety. The whole country expected there would be some sort of fresh taxation for additional revenue to fill the void created by the war. It is a great relief to us that no scheme of taxation is in hand, and that the resources of Government, supplemented by the proposed loans, are quite sufficient to carry us through the next financial year too, without a serious check to our normal progress. It is true we cannot provide as liberally for the various progressive departments of Civil administration as we would, but there is no set-back to our development. This is a great point in favour of the present budget, and it is fully appreciated by the people. The Hon'ble Sir William Meyer deserves our best thanks for the admirable manner in which he has managed the finances of Government in these critical times.

"My Lord, cognisant as we are of the extreme difficulty of the situation, we cannot reasonably make any suggestions for additional expenditure next year, however desirable on its own merits such expenditure may be. But it is as well that we should press upon the attention of Government our wants now, so that the Hon'ble Finance Minister may provide for the most urgent among them when happily the finances improve. It is with this idea that I submit for the favourable consideration of Government that the Land Improvements Loans Act, under which loans are granted to agriculturists, should be amended, with a view to widening its scope and the range of the objects for which money may be advanced, and to reduce the rate of interest chargeable for such loans. My friend, the Hon'ble Raja Kushalpal Singh, pointed out to this Council only the other day how the Madras Government strained the law to make advances for the support of rural industries. As a matter of fact, it appears to have been felt by some of the Provincial Governments that the law should be more elastic. It is somewhat curious that provision should have been made for advances for the support of agriculture, but not for the subsidiary industries without which a reasonable degree of agricultural progress cannot be counted on. India is the only country in the civilised world where subsidiary industries do not receive as much attention as they should, and this accounts for the prostration of many a good industry. For instance, sugarcane cultivation is not so profitable in India, whereas it is one of the most paying concerns in other countries, and for the best of reasons. It is not only the quality of the cane grown here which is at fault; it is not even the method of cultivation and the crude process of extraction which make the industry unremunerative. These do, of course, contribute to the net result; but the main reason why the margin of profit is so narrow in the whole sugar industry is that valuable material which could be easily turned into useful commodities is allowed to be wasted. In some of the competing countries the *bagasse*, molasses and the scum are each one of them turned to good account. The scum is converted into one of the most valuable fertilisers; molasses in combination with bran, chaff, etc., serves as an excellent food for cattle, and in combination with chopped *bagasse*, cocoanut, etc., becomes fit for human consumption. Molascuit is one of the growing industries in the West. Distillation of alcohol

is another important industry. And yet all these subsidiary industries are scarcely known in India, and no wonder the principal industry is not paying. The same remark applies to many of the agricultural industries. Thanks to Your Excellency's Government, when a few days back I asked Government if they would consider the desirability of granting agricultural loans for industries subsidiary to agriculture, the answer was in the affirmative. I submit that by an amendment of the Loans Act it should be made possible for the Provincial Governments to introduce these subsidiary industries into promising areas by advances from the State funds. If the object of the Act be to support and improve agriculture, the range of its operation must be expanded, so as to cover the subsidiary industries. Such an expansion would involve increased expenditure, but in the interests of the country it has to be incurred. And I would also suggest that the rate of interest should be 5 per cent instead of 6¼ per cent. The object of Government cannot be to make a profit out of the business, and the debt being secured, the necessity for an extra rate to cover the possible loss of the principal in some cases disappears. The general rate of interest in the country has gone down appreciably during the last few years. Even if the sanctioned rate under the Act was found necessary at the time it was fixed, the same reasons do not exist now. The rate, therefore, should be revised. The concession will be greatly appreciated by the whole rural population, and can be made at a small cost to Government.

"My Lord, I beg to refer to another urgent need of the agricultural population. Government has made provision for collegiate instruction in agriculture, but so far it has admittedly not effected any material improvement in the situation. In my humble opinion, the utility of collegiate education could be vastly increased by initiating a system of primary and secondary education in agriculture alone. Agricultural schools are everywhere wanted, and they cannot be established too soon. And in these schools instruction in the technique of the industry must of necessity be imparted through the medium of the vernacular. In the progressive countries of the West there are special schools for the different industries, and the staff renders a substantial service to the community. The sugar schools of Germany and Louisiana have done a good deal for the improvement of the sugar industry of these countries. It is time therefore Government should prepare a scheme of elementary and secondary agricultural education, even if the initial outlay be somewhat large. India is essentially an agricultural country, and money should be spent liberally for the improvement of its principal industry.

"My Lord, the Hon'ble Sir William Meyer made a pronouncement in Council last year relating to waterways in Bengal. I beg to submit that the question of the improvement of waterways is an Imperial, and not a Provincial, one. They are equally important in every part of the country. It is of great importance to the agriculturists that facilities for the cheap transport of agricultural produce should be provided, and waterways have certain undoubted advantages over railways in this respect. They likewise serve the very useful purpose of irrigation canals. It would therefore be well to have a scheme of waterways for the whole of India, and when it is ready, it can be carried out gradually in the same way as our irrigation works. I believe the waterways will in the majority of cases be found productive. Speaking of the irrigation works I reiterate my prayer for safeguarding the interests of the Tanjore District against the proposed Kannambade project.

"My Lord, if these suggestions affect the finances of Government, I have got one submission to make with regard to railways, which has no bearing whatever upon them. The railways are at present directly to some extent under the control of the Government of India, and the Provincial Governments have no power to deal with even the most trivial matters connected with their management or improvement. This arrangement is at times very inconvenient. A good deal of correspondence and time may be saved if the Provincial Governments have powers delegated to them to deal with railway matters of local importance without reference to the Government of India. If anything, such delegation of powers will result in some direct pecuniary saving.

"My Lord, I fully sympathise with my friends from the United Provinces in their disappointment at the rejection by the House of Lords of the proposal for the creation of a Legislative Council for their Provinces.

"My Lord, I cannot conclude without drawing the attention of the Council to the serious position in the Punjab. When the Defence of India Bill was discussed on the 18th instant, I had not an exact idea of the gravity of the situation in that Province to which the Hon'ble Sir Reginald Craddock referred. Recently I had been to Jullundur, Amritsar and Lahore. I met several leading men of the province. They all feel the necessity of a legislative measure of this kind. Peaceful inhabitants, especially the Hindus, are subjected to acts of violence, and the outrageous offences against life and property have been committed in many cases by apparently respectable people. It is well that the new Act has been put into force in some parts of the Punjab. Had there been any delay in the matter, the consequences would have been very serious I hope the measure, judiciously administered, will have the desired effect and bring to the oppressed the relief which they are so much in need of.

"My Lord, I take this opportunity to express our sense of gratitude to Your Excellency for what Your Excellency, Christ-like in forbearance, have done to promote the interests of Indians in this critical time of the world's history, and I pray that God will prolong your Viceroyalty in this country."

The Hon'ble Mr. Abbott:—"My Lord, I rise to congratulate the Hon'ble the Finance Minister on the prosperous Budget he has presented to the Council and for the lucid and exhaustive exposition he has given.

"At a time like this when the greatest war the world has ever known is devastating and ravaging three-quarters of the world it must be a source of deep gratitude and pride to you, My Lord, and to this Council, to know that we in India are living in comparative safety and prosperity, and that in our bounden duty and all pervading loyalty we have been in a position to give, and have given, both men and money, for King and Country.

"Handsome as our offerings may have been, My Lord, they have not, I regret to say, been on the same princely footing and basis as that of our fellow Colonials. However, I am confident that the demand has only to be made and loyal India will rise as one man and offer to pay the expenses of our Expeditionary Forces in the same way as Canada and Australia are doing. I would go still further, My Lord, and I think I may safely assert that to meet this extra expenditure India would not cavil at a small rise in the salt and income taxes and also on import duties.

"Regarding the embargo on the export of wheat, I hope that the cultivators of Bundelkhand will not be forgotten when ear-marking the profits. Bundelkhand has suffered from failure of crops, famine and drought on an average of every $3\frac{1}{2}$ years for the past 45 years to my personal knowledge. Now, just as they are expecting a bumper crop with a golden harvest it looks as if they are to be disappointed.

"I also, My Lord, beg to draw attention to the great cry for more irrigation in the United Provinces.

"I beg to associate myself with the claim of the Hon'ble Mr. Das for an Indian Christian on Your Excellency's Council.

"My Lord, it has become a time-honoured practice with non-official Members of this Council to take this annual opportunity of prefacing in general the needs and wants of the peoples and communities they have the honour to represent.

"As such, and on behalf of the Anglo-Indian Domiciled Community, I beg, My Lord, to tender you and your Ministers our heartfelt and grateful thanks for all that has and is being done for the advancement and betterment of our community. In particular I beg to thank Sir Henry Burt for the oft repeated and timely occasions on which he has come to the help and assistance of the Railway man. Now that he is about to leave India their heartfelt

regrets go with him, together with their respectful congratulations on the great and elevated position he has been called to;

"To the Hon'ble Mr. Maxwell, Director General of Posts and Telegraphs, whose reorganisation scheme has helped to give promotion from the subordinate to the superior amalgamated Services;

To the Director General, Indian Medical Service, who has improved the status, pay and prospects of the Indian Subordinate Medical Department;

"To the Hon'ble Sir Harcourt Butler, whose generous educational grants, and grant-in-aid policy, has brought education within the reach of the most depressed classes;

"Last, but by no means least, to His Excellency the Commander-in-Chief in India, for opening the long barred gate of recruitment into the British Army to the descendants of European parentage.

"My Lord, whilst expressing the deep sense of gratitude and appreciation of the Domiciled Anglo-Indian Community for all that has, and is being, done for them, I beg to remind Your Lordship in Council that there are several important and imperative disabilities that the community still labour under, principal among these being:—

"*Railways.*—The continued annual importation of what is known as the 'covenanted men' and who are principally appointed as Foremen in Railway Shops, Locomotive Drivers, Permanent Way Staff and Auditors. Time was, My Lord, when these importations may have been a necessity, but those times have long gone by. We have in India to-day fully equipped and up-to-date workshops, equal to any in Europe or America. That our community have benefited by these and have advanced with the times there cannot be the shadow of a doubt; but as proof positive I would assert that I have three personal friends on both State and Company owned lines, whose entire apprenticeship was spent in Railway Workshops in India and who rose to the highest rung of the ladder—Manager of Works. Similarly, with the Locomotive Driver. He is every whit as good and as capable as his "covenanted" confrere. This is no sinecure and can be proved from the fact that the Domiciled and Anglo-Indian Driver drove and piloted His Majesty three-quarters of the thousands of miles travelled by His Majesty during his last visit to India. You, too, Your Excellency, have had the same experience throughout your Viceroyalty.

"With reference to Permanent Way Inspectors, our Engineering Colleges in India give ample scope for education and as vast an experience, as apprentices, can be gained on Indian railroads as at Home. In addition to this the Domiciled and Anglo-Indian has to his credit a thorough knowledge of the country, the language and the people and above all is acclimatised and physically fit to rough the climatic conditions of India.

"The same remarks apply to the Audit Branch: our schools and colleges can furnish ample material with the necessary educational qualifications, and the training ground in India better fits and adapts them to conditions in India than the imported or covenanted man.

"*Representation.*—My Lord, I take the liberty of again begging to remind you that the Domiciled Anglo-Indian Community still remain unrepresented in most of the Presidency and Provincial Councils of the Indian Empire. My Lord, all we ask is the extension of this great privilege to our community, the same as is given to our Indian friends of all castes and creeds.

"*Administrative and Ministerial Appointments.*—My Lord, the rapid progress of higher education is daily fitting us more and more for a bigger percentage of these responsible and coveted appointments. India being our home, we naturally aspire and claim to be allowed a fair share of the bulwarks of this vast Empire

"*Education.*—Grateful as we are for all that has been done in this direction, I would respectfully urge that the grant of a few more State scholarships for both girls and boys, tenable in England, would be a great boon to the community.

"Also greater facilities for admission and training in agricultural and technical schools and institutions.

"My Lord, in conclusion, I beg to again thank you, your Ministers and the non-official Members of this Council for the attention, assistance, and courtesy I have invariably received at your and their hands."

The Hon'ble Pandit Madan Mohan Malaviya :—"My Lord, as I have listened to the debate which has taken place to-day, my thoughts have gone back again and again to one who adorned this Council for twelve years, and whose loss has been mourned in this country and beyond it, as the loss of no other Indian of modern times had been mourned before. My Lord, my faith in the future of my country makes me hope that in the generations that are passing through our schools and colleges many a young man will be found who will equal, and, I hope, even excel Mr. Gopal Krishna Gokhale in intellectual power and ability; but, My Lord, none shall excel him in the pure loftiness of his patriotism, in selfless, ceaseless devotion to the country's cause, in the sincerity and depth of earnestness with which he desired the good of his countrymen and the unflagging zeal with which he laboured to promote it. My Lord, to Mr. Gokhale will ever belong the glory of having been the first Servant of India of the noble band of the Servants of India, which he himself organized, who, discarding all personal ambition, take the vow of poverty and self-sacrifice, and dedicate themselves heart and soul to the service of their motherland. My Lord, there is a movement afoot to create an All-India memorial to our departed friend and brother. I have no doubt everyone who respected or appreciated him will contribute towards the completion of that memorial, but I have one favour to ask of all who appreciated Mr. Gokhale, and that is that they should adopt a kindlier, a more sympathetic attitude towards questions in which he took a keen personal interest, towards causes which he pleaded from the depth of his heart, even if they cannot accept in their entirety the views which he expressed upon them.

"And in that view, My Lord, I wish to mention two particular questions. One is the question of securing the benefit of that elementary education to the people of India which lies at the root of all economic progress; and the other is the question of fairer recognition of the claims of Indians to a share in the administration of their country. My Lord, the Government of India have recently done much towards promoting primary education, but what has been done is as nothing compared to what remains to be done; and I hope and trust that the impetus which Your Excellency's Government have given to the cause of primary education will grow, and that much larger funds and energy will be devoted to it until education shall become the possession of the general bulk of the people.

"And, My Lord, so far as the question of a larger share for Indians in the administration of India is concerned, I hope that Mr. Gokhale's colleagues on the Royal Commission on the Public Services will, in deciding upon their final recommendations, bear in mind the views which he entertained and expressed, and see if they cannot give effect to them in whole or in part.

"My Lord, the best of reasons make me put forward these suggestions, for there is nothing more calculated to promote friendly feeling between Indians and Englishmen than a generous concession on the part of the latter of the claims of the former to a fair share in the administration of this own country. My Lord, the recommendations of the Public Services Commission will be awaited with great interest and anxiety, and I hope they will be such as to give general satisfaction to Indians.

"My Lord, the Budget before us is a War Budget, in the sense that it is affected by the War. Congratulations have rightly been offered to the Hon'ble the Finance Member for having avoided taxation. I have myself offered my congratulations on a previous occasion, and I do not wish to take up the

time of the Council by repeating them. But there is one circumstance to which I wish to invite attention. It seems to be forgotten that the taxation which the people of India have been paying for the last many years has been very heavy, and that it is that heavy taxation which has produced the financial position which India occupies to-day. Some time ago Mr. Gokhale pointed out that the total additional revenue raised by fresh taxation in the space of twelve years—between 1886-87 and 1898-99—was no less than 12·30 crores a year. Only a small portion of that additional taxation has been remitted since 1903-04, while taxes were imposed in 1910-11 on silver, tobacco and certain other articles. It was thought at the time the last addition was made to the public burden that that was done to meet the deficit which had taken place in the previous year; but that was not so. Questioned on the subject in his evidence before the Royal Commission on Indian Currency, Sir James Meston made this quite clear. Said Sir James :—

'It is quite arguable now, and I think it was quite arguable even then, that for immediate needs that taxation was probably unnecessary, and that we could have got over the crisis of 1908-09 by temporary borrowing. But there appeared at the same time on the horizon a consideration which is not probably before the public. That was the fact that the Government of India knew that very large claims were going to be made upon it under Lord Morley's instructions for the development of a programme of social reform. We knew that a very big scheme of education was in the air and we had estimates prepared in the Secretariat, which have never been published, which indicated the enormous call upon us in the near future. It was the same with sanitation and medical improvement.'

"And he concluded by saying :—

'We also stood by the taxes that had been imposed ostensibly for the troubles of 1908-09, and which are now necessary for the real needs of the country in the near future.'

"My Lord, while we offer our felicitations to the Hon'ble the Finance Member, we might also remember that it is the taxes which have been paid for the last three years and more that have enabled our friend to save us from fresh taxation.

"My Lord, this is not the time to discuss the Budget at any length but there are two or three things which strike me as worthy of the consideration of the Hon'ble Finance Member. The crisis through which we have been passing has shown the great weakness of the position of the Indian cultivator, and indeed of the mass of the Indian people. It has shown that while there is an abundance of food produced in the country, the bulk of the people are often able to purchase it at the price at which it is sold. My Lord, my friend Sir Fazulbhoy Currimbhoy pathetically described the distress of the people who are crying for bread, when they see enormous quantities of wheat being shipped to other countries before their eyes. My Lord, I venture to say that that state of things is the result of a wrong economic policy and an unsound system of taxation which has prevailed here for some time. The whole system of our revenue and taxation requires to be reconsidered. I submit that it is high time that our policy with regard to both the export and the import trade should be reconsidered, and the bases of taxation be readjusted. It is time we reconsidered whether it is not imperatively necessary to so regulate exports of food-stuffs by duties as to prevent the people from being deprived of the food which is grown in the country; in other words, to secure that they should be able to purchase food which is grown in the country at a price which they can pay for it. Unless exports of food-stuffs are so regulated, it must happen, My Lord, that when a poor agricultural country like India enters the world market, it must happen that people with larger incomes will, as they can afford to pay a higher price for food-stuffs which they import than the people of this country can afford to pay. This is the main cause of the great rise in the prices of wheat and other food-stuffs, which has inflicted indescribable hardships on the great bulk of the people. We are thankful to the Government that it has taken the export of wheat into its own hands, for the period of the war. But I hope the Hon'ble the Finance Member will consider whether the time has not come when a regular duty on food-stuffs which are exported, particularly on wheat,

might be imposed, without any real injustice to the cultivator, and with real advantage to the people and the State. Then My Lord, it should also be considered whether the duty on imports might not well be increased. Some members have suggested, the Hon'ble Mr. Abbott among them, that that might well be done. We can make a large additional revenue by increasing the Customs duties Manufactured articles are not such a great necessity for the people. They can afford to do less with them than with the food that feeds their bodies The object of my suggestion is that food supplies should be made more easily available to the people, even though in the matter of imports they may have to pay a little higher price.

"My Lord, a great trouble at present is that the tax on land has been growing. The land is groaning under the burden which it has to bear. Year by year, even in this year of great scarcity, even in years of famine, the land revenue shows an increasing figure My Lord, the cultivators are not able to get enough food to feed themselves and their families ; yet the land revenue has been growing steadily year by year during the last 40 years. When, My Lord, will it cease to grow so far as the Government revenue is concerned ? It is desirable that there should be more and more produce of food supplies ; it is desirable that the cultivators' outturn should increase, but is it desirable that out of that increase, the Government should go on taking as much as it has been taking during the last decades ? That is a matter to which I would invite the attention of the Hon'ble the Finance Member."

"My Lord, another question which has cropped up in the discussion is that of our contributions to the war. We have contributed, as one of the speakers has pointed out, roughly about 10 crores in supplying the Expeditionary Forces. Well, it is not mere gross silver that we have contributed, but we have contributed men, men trained and disciplined, devoted to win and die in the service of the King and the Country And, my Lord, what we have done recently is a matter of satisfaction and a matter for congratulation to Your Excellency's Government, because, in addition to supplying such men as we could send, such men as are demanded of us, we have now helped, I hope, by the arrangement made about regulating the export of wheat, to supply food wherever it may be needed in the British Empire.

"My Lord, the question has arisen in connection with the war, and upon which remarks have been made by several members, namely, what is going to happen after the war ? To me it seems it is premature to think of it. But, My Lord, certain events have happened which have pivotted the attention of the public on this question. The pronouncements made by Mr. Asquith, by Lord Kitchener and by Mr. Herbert Roberts, that India had entered into the Federation of the Empire, that the angle of vision for looking on Indian questions will change, and that India should entertain great hopes of great developments in future, have fostered a general and wide-spread hope that Indian questions will be considered from a liberal point of view. This feeling, My Lord, whatever the actual results in the remote future may be, this feeling is a great asset in the feeling of the country. The general body of the people hoped that these pronouncements were an earnest of the changes that were going to take place But the action of the House of Lords, in rejecting the proposal for the Executive Council for the United Provinces, has, My Lord, undone to a great extent, if not entirely, these hopes that were entertained. I feel certain, My Lord, that your Lordship's recommendations will be given effect to. I do not feel any doubt in my mind that the English Parliament will see that the United Provinces do have the Executive Council which was promised to them so far back as 1835 by an Act of Parliament. I feel certain that the day is not distant when the Lieutenant-Governor will be relieved partly of the burdens which he has to bear alone. But, My Lord, the mischief which has been done by the action of Lord MacDonnell and Lord Curzon is far-reaching and will, I think, produce a bad effect.

"My Lord, Lord MacDonnell is reported to have said, in this connection, that no section of the population of the United Provinces except an infinitesimally small body favoured the proposals. My friends the Hon'ble the Raja of Mahmudabad and Pandit Bishan Narayan Dar have shown how little truth

there is in that assertion of Lord MacDonnell. But, My Lord, I am sorry to say that that is of a piece with another assertion which Lord MacDonnell made when there was a debate going on in the House of Lords on the question of Indian reforms, when he said that there was not an Indian to be found in the whole country amounting to 300 millions who could be appointed as a member of the Executive Council of the Governor-General. My Lord, the distinction with which Sir S. P. Sinha held the office of the first Indian member of the Executive Council of the Governor General, the ability and distinction with which my friend the Hon'ble Sir Syed Ali Imam has held that office, has shown what little basis there was in the assertion of Lord MacDonnell. My Lord, the country knows, the country at any rate is convinced, that this reform, by which the Indians have been taken, so to say, into the confidence of the Government and into the innermost circle of the Government of India, is of real and far-reaching importance. There was no measure of reform among the many reforms introduced during the time of Lord Morley and Lord Minto which had a more far-reaching effect in that direction than the appointment of Indians on the Executive Council of the Governor General of India. But, My Lord, if Lord MacDonnell and Lord Curzon had had their way, this reform would not have taken place and the Indians would not have had the satisfaction of seeing a brother of their own occupying a seat in the highest Executive Council of the Empire, and Your Lordship's Government would not have had the advantage of the experience and ability of such a member.

" My Lord, in sanctioning a particular proposal of reform like that of the Executive Council, what is really needed is a determination, a resolution on the part of all who are interested in England and India, to readjust our relations somewhat, and to begin to regard each other—I am speaking of those who do not take that view—as really equal fellow subjects of one common King and of one common Empire My Lord, the basis of our brotherly relations, if I may be pardoned for saying so, is to be found in the great Proclamation of Her late Majesty Queen Victoria. It is strange how people sometimes give their adhesion to principles and how in practice they do not like to adhere to them, and even violate them. Lord Curzon, speaking of that Proclamation, said that the famous Proclamation of 1858, the Magna Charta of India, was the ultimate goal of our demands and aspirations. And yet we find Lord Curzon getting up in the House of Lords and opposing the appointment of an Indian member to the Executive Council of the Viceroy and opposing the constitution of an Executive Council for the United Provinces, when he knows that the entire wisdom of the Government of India, for a hundred years and more, pronounced in favour of a system of Council Government for every Presidency prepared for it, when he knows that Madras and Bombay have flourished for a hundred years and more under a system of Council Government, and when he knows that, with the experience derived of the present circumstances of India, Your Excellency's Government recommended a Council Government for Bengal and also for Bihar and Orissa. My Lord, there is a rule that persons who have not lived within ten years in India ought not to be appointed members of the India Office. It seems to me, My Lord, there is much reason in the rule that gentlemen who have been out of India for more than ten years, and who have not kept in touch with the people of India by correspondence or by visits, had better refrain from making pronouncements on the needs of India of to-day. Your Excellency, who is in this country, who has fostered reform movements in different provinces of the country, and who is in touch with the people and with the Lieutenant-Governor of the United Provinces, who is the man working on the spot, feeling the apparent wisdom of his advice, made a recommendation that Council Government should be instituted in the United Provinces. Lord MacDonnell who has been out of India for about fourteen years and Lord Curzon who has not been in touch with India for nearly ten years, take it upon themselves to say that India does not need such a reform. I only refer to this because Lord MacDonnell went on to make an assertion which is calculated to create, and which I fear from the remarks which have appeared in the papers, has already created, a very bad impression. I have referred to the

pronouncements of Mr. Asquith, of Lord Kitchener, and of Mr. Herbert Roberts. As if to counteract, as if to put forward something against, those statements, Lord MacDonnell is reported to have said that all reasonable demands of educated Indians have been adequately provided for the present and for a long time, and when the time came for a change, it would be better to proceed by dividing the provinces and thus relieving over-burdened Lieutenant-Governors than to give them Councils. Lord Curzon endorsed that view by saying that it would be better to convert Lieutenant-Governorships into Chief Commissionerships. He might have gone a step further and advocated converting them into Commissionerships, because, My Lord, Commissioners' divisions are large enough to occupy the attention of one man. I regret to say that Lord MacDonnell and Lord Curzon do not realize what disservice they have done to the cause of progress and reform, and to the cause of the contentment of the people in this country, by making such assertions at a time when the newspapers have been full of discussions as to the possibility of reform movements in the future. As I have said over and over again, My Lord, I do not wish to talk of the reforms that will come. I have faith enough to believe that they will come in their proper time. When the Proclamation of Her late Majesty Queen Victoria was published, Lord Canning was at the helm of affairs in this country, and, My Lord, there is one passage that he published in a Proclamation of his own to which I wish to invite the attention both of the people of my country and of all the officers who serve the Government. In that Proclamation Lord Canning called upon the servants of the Queen, one and all, each in his degree and according to his opportunity, to act with his whole heart and strength in fulfilling the gracious will of their Queen as set forth in the Royal Proclamation, and at the same time, My Lord, he rightly called upon all Her Majesty's Indian subjects to yield loyal obedience to the Queen. My Lord, the words of Lord Canning are the golden key of our conduct.

"My Lord, there is one other matter to which I should like, with Your Excellency's permission, to refer before I finish. I should have personally avoided, My Lord, a reference in to-day's debate to Your Excellency's impending retirement. But as a reference has been made to it by more than one speaker, I hope Your Excellency will pardon me for saying a few words about it. My Lord, I venture to think that of all the British statesmen who have made themselves illustrious as Viceroys and Governors General of India, there is none, in my opinion, who has touched a truer chord of sympathy, none who has enjoyed the esteem and affection of the people of India in a higher degree than Your Excellency. Your Excellency's generous sympathy with the people of India, your love of justice, the trust that you have reposed in them, your earnest desire and endeavour to promote their well-being, their happiness and contentment, and last, though not least, My Lord, the sufferings that Your Excellency has undergone in the service of this country, have endeared Your Excellency to the people of India; and though it would seem to be almost cruel to desire that the period of Your Excellency's office—a period of heavy responsibility which rests upon you as the Head of this extensive Empire at a time of great stress—should be prolonged, yet, My Lord, the faith that the people have learnt rightly to repose in Your Excellency is a factor of inestimable value to the Empire and, therefore, both for the good of India and of England, the prayer which has been addressed to His Majesty the King-Emperor by the Indian National Congress, speaking on behalf of the people of India, will, I hope, coincide with the sense of His Majesty's Ministers of what is demanded by the situation in India and commend itself to His Majesty. And, My Lord, I have hope that, with the lofty sense of duty which Your Excellency has shown in your high position, Your Excellency will be pleased to agree to stay another year or two with a people who hold you in grateful affection, and love and trust you as they have seldom loved and trusted any of your predecessors."

The Hon'ble Rai Bahadur Sita Nath Ray:—"My Lord, the singular ability which the Hon'ble Finance Minister has displayed in tackling

a peculiar and grave situation and the skilful manner in which he has been able to meet the deficit, without adding, however slightly, to the burden of our taxation, are sure to call forth the unstinted admiration from all alike, and for all this, I beg to offer him my sincere congratulations. In this year of extraordinary stress and emergency, in this year of dislocated trade and finance when a vague but unwarranted sense of insecurity was prevailing in the country and when apprehensions of something grave and unforeseen happening were agitating the public mind, it is well that the Hon'ble Finance Member should have abstained from having recourse to any extraordinary expedient, temporary or otherwise, from meeting the situation and thereby relieved the public mind of a heavy load of anxiety and at the same time, I must confess, that the several bold steps which the Hon'ble Finance Member has taken in this connection have eased the situation and have had the desired effect in reassuring the public mind and restoring public confidence.

"My Lord, I cannot, in passing, abstain altogether from alluding to the very acute situation which arose in Bengal at the outbreak of war when the shock of it was most severely felt, for it was then just the beginning of the jute season and the war nearly paralysed that industry in all its branches bringing suffering to large classes of people in Bengal. The result was that there was a rush of depositors for withdrawal of their moneys from savings banks, and though the efforts of the authorities combined with individual efforts succeeded in partially allaying the public anxiety, the rush continued for some time ; and in that state of public feeling, I must say, the Government acted very wisely in allowing every facility to the depositors for withdrawal of their moneys from the savings banks, and it was indeed a very wise, bold, and statesmanlike step to provide facilities, even in district treasuries, for encashment of currency notes, which the Government was not bound to do. However, the indulgence shown and the extreme latitude given had their own rewards, and what was the result ? The result was returning full confidence in the stability and permanence of the British Government, and what does the present position of the Government securities and other stocks, such as Municipal and Port Trust debentures, indicate ? If it indicates anything, it indicates the growing conviction of the people in the ultimate success of the invincible arms of the Allies over German militarism and barbarism and the triumph of righteousness over unrighteousness. It further indicates returning prosperity and revival of trade and commerce so unduly disturbed in the beginning of the war.

"In this connection I may further mention that the Government of India acted very wisely in prohibiting the issue of gold to the public as it would have given rise to a panic and every one would have scrambled for gold for holding, hoarding, or burying it underground, and the result would have been wide-spread alarm, for Government would have ultimately been obliged to withdraw the concession. How serious and acute the situation was can be realized from the following quotation from the Hon'ble Finance Member's speech :—

'The price of raw jute necessarily showed a great drop from the record figure (R90 per bale of raw jute) obtained in the preceding year, falling as low at one time as R31 a bale. But the initial paralysis of the internal trade is clearly indicated by the fact that whereas between August and October 1913, the issue of rupees from the Calcutta Currency Office in connection with the financing of the jute crop amounted to some thirteen crores of rupees, the issue in the corresponding period of 1914 was about fifty-six lakhs only. And this at a time when the crop was a record one. This state of things brought hardships to all engaged in that trade, but specially to the poor ryots. The position has since then generally improved, but not to the extent as anticipated as the winter rice crop has not been up to the average mark'

"In this connection I cannot refrain from mentioning the several wise precautionary measures that were taken from time to time in Bengal and specially in Calcutta by our popular and much respected Governor and his Government in allaying public anxieties and in ensuring public safety.

"My Lord, as regards the main features of the Budget, I wish to make a few remarks only. There is a deficit in the current year as shown in the

revised estimate instead of a surplus on the Imperial side, and Imperial and Provincial figures taken together show a somewhat larger deficit in the revised estimate than what was anticipated in the Budget estimate. In the forecast of the coming year there is also to be a deficit. 'All this,' to quote the Hon'ble Finance Member's words, 'is, speaking generally, entirely attributable to the war, and more especially to the decrease in the two large sources of revenue which have been so severely affected by the consequent dislocation and depression of trade.' Not only on Railways and Customs but on almost all the earning departments of the Imperial and Provincial Governments the war has left its marks. The Budget for 1915-16 has been forecasted in consideration of the same conditions prevailing in the next year. We have not only to meet the deficit but there is also the other important head of capital outlay which has also to be met. The Hon'ble Finance Member has shown us how he has met these demands in the present year and how he intends to meet all the demand upon his purse in the forthcoming year. I should like to say a few words on the general line of policy which the Hon'ble Member has adopted in his Budget statement to meet his demands in the next year. There is, I see, a considerable curtailment of expenditure in some of the heads. The effects of this policy of retrenchment are largely visible in the following heads: expenditure for special grants, education, medical, etc., railway expenditure and Delhi expenditure. As regards the former the Hon'ble Finance Member says: 'The large balance still in hand is in considerable measure due to the fact that we have found it necessary in existing circumstances to debar local Governments from drawing on their balances with us during the coming year beyond an aggregate amount of about one million.' There has been also considerable curtailment of railway expenditure and Delhi expenditure.

"My Lord, while on this railway head, I am glad to mention here that the Sara Bridge, now associated with Your Excellency's name, is an accomplished fact, which will go further to promote the development of the great jute and tea industries of North and East Bengal and of Assam. This subject of railway communication naturally reminds me of another subject which is closely allied to it, and is so regarded by the Governments of all other civilised countries. But the subject has never been treated in that light by our own Government. The splendid natural waterways of this country, especially of Bengal, to which I alluded in my last budget speech, are a valuable asset. I again invite the attention of the Government to look upon these splendid natural waterways as necessary adjuncts to railways. Not only trade and commerce but sanitation would also derive considerable advantages from their improvement. The improvement of the numerous waterways which intersect the country is beyond the scope and resources of the local Governments, and so I earnestly entreat Your Excellency's Government to take up this subject as a matter of Imperial policy and concern. In this connection I cannot refrain altogether from prominently drawing the attention of Your Excellency's Government to the very useful project generally known as the Grand Trunk Canal Scheme in Bengal formulated by Mr. Lees. I believe the scheme has been referred to the Imperial Government for sanction, and I hope that the carrying out of this well thought out scheme, while improving the waterways and thereby facilitating the development of the internal trade of Bengal, will be associated with Your Excellency's name by giving early sanction to its execution.

"My Lord, now coming again to the policy of retrenchment which I have stated already, I may say that there is a limit to this policy. We have come to a stage when this policy cannot be pushed much further, as I see that every day there is an increasing interest and demand for further development and progress and consequently further expenditure for material and social improvement. The question then comes to this, how we are to increase our income to meet our ever-growing demands? The answer is that we must have recourse to either borrowing or taxation. The Hon'ble Finance Member has taken the former course, and gives his reasons in the following words: 'We do not propose on this occasion to raise any money by increased taxation. We should not hesitate to do so to meet the deficiency in revenue which promised to be of a

more or less abiding character. But the present circumstances are altogether peculiar. We know that ordinarily we can count upon surpluses. India, too, has a very small unproductive debt, and with trade conditions depressed and the present rise in food prices in a large part of the country, we have come to the conclusion that we ought not to add to existing taxation unless it is absolutely necessary. We hold that this necessity has not yet arisen.' My Lord, the circumstances are no doubt peculiar, and no one knows when normal conditions will return. Even if they arrive sooner, we cannot, in my humble opinion, rely on this loan policy nor can we count upon our ordinary surpluses, for they may not appear for some years to come. As the Hon'ble Finance Member says: 'We must also remember that when the war is ended some of its effects may endure for some time to come, and in particular we shall then have to face the question of dealing with the temporary debt which we are now accumulating.' Then again, there is an ominous warning in the words of the Hon'ble Finance Minister when he says: 'We have not proposed additional taxation to make good deficits which we hope will prove temporary only; but as I have already said we should not hesitate to do so if it appeared that our permanent revenue position was seriously threatened.' I also wish that our deficit may prove temporary only. But, My Lord, I have very grave doubts on this point, when I consider that our agricultural prosperity on which depends everything else, is susceptible to external influences in the extreme; that we cannot have any more windfalls from the opium revenue; that the effects of the war, as the Hon'ble Finance Member says, may endure for some time to come even after the cessation of it, which will greatly influence our financial position; that there is an ever increasing demand for social and material improvement. The whole course of events and the gist of the Hon'ble Finance Member's speech point to the direction from which we can expect help. The Hon'ble Finance Minister says that we should not hesitate to do so (to have recourse to taxation) if it appeared later that our present revenue position was seriously threatened. My Lord, no one knows when this critical situation will come. In these abnormal times and exceptional circumstances, it may come sooner, after all. We ought to be ready beforehand to meet this eventuality. Then, My Lord, I shall try to prove why this loan policy cannot, on its own merits, be a successful one in the present abnormal situation. I admit that 'the public debt of India represents productive outlay normally yielding a return far in excess of the interest which she has to pay on the amount borrowed; sufficient indeed to cover also the interest on the small margin of debt which can be described as unproductive and still to leave an ample margin.' I admit that 'we raised 5 crores in the current year and with great success' but that was before the war, when the circumstances were entirely different. The Hon'ble Finance Member also holds this view. We have to remember this peculiar situation in connection with the floatation of our loan in the forthcoming year in India. Then as regards our borrowing in England, the Hon'ble Finance Member said last year: 'An increase in rupee borrowing is justified not merely by the general conditions which prompt every country to keep as much of its public debt as possible in the hands of its own people but by the fact that of late it has become more economical to borrow in India than in London.' If such was the case in normal times, I do not understand what hope is there that our future loans would be successful and economical in the exceptional circumstances now prevailing in England and which are sure to continue for some time to come. In another place the Hon'ble Finance Member says: 'I recognise, too, that the circumstances prevalent in July, when we usually float our loans, may prove so unpropitiitious that we may find it desirable to have recourse to other methods for raising either a part or the whole of this amount.' In connection with the raising of this loan I beg to suggest that the time has come when it would be extremely desirable and politic in the interest of the people of this country that future loans should be raised at the rate of 4 per cent. I may give an instance of the bad effects which followed the policy which led Sir J. Westland to reduce the rate of interest from 4 to 3 per cent and the result was that the Government securities which are quoted at the rate of 3 per cent became an unsaleable commodity in the market, and it is now no longer a marketable commodity. I therefore quite agree with

the Hon'ble Mr. Dadabhoy that future loans should be raised at 4 per cent, which will go to induce the people of this country not only largely to invest in Government securities, but at the same time go to inspire confidence.

"In conclusion, I beg to associate myself with the words which have fallen from the Hon'ble Sir Gangadhar and the Hon'ble Mr. Banerjee about the undoubted claims which Your Excellency has established upon the gratitude of my countrymen; for Your Excellency's kind and sympathetic administration, for Your Excellency's kind sympathies with the hopes and aspirations of the people entrusted to your charge, and for the various ways in which Your Excellency has tried to foster education, sanitation and, may I add, self-government; and, lastly, for the unflinching faith and confidence Your Excellency has under all circumstances shown in the loyalty and good sense of India, and the way in which they have been utilised; and as such I must say that we sincerely share the regret which has been expressed on all sides at the approaching departure of Your Excellency, but we sincerely trust and pray that His Imperial Majesty will be graciously pleased to give due effect to the united prayer of a whole nation, by extending the term of your exalted office until such time at least as the war lasts."

The Hon'ble Raja Kushalpal Singh:—"My Lord, it is but the barest justice to the Hon'ble Sir William Meyer to mention that the Budget under discussion is an agreeable surprise to us. Within a short time after declaration of war between Britain and Germany, it became evident that we would have to face a heavy deficit both in the current and in the coming year, and that our finances would stand in urgent need of replenishment. In view of the exceptional conditions, the popular belief was that additional taxation, of a temporary nature at least, would be unavoidable; but through wise management, which does credit not only to his head but to his heart as well, the Hon'ble Sir William Meyer has spared the country a pecuniary sacrifice for which it was prepared. And yet the absolute needs of good government have not been overlooked. It is doubtless possible to suggest alterations in the Budget allotments according to our views of the relative importance of the different heads of expenditure, but they would involve controversial questions of policy which cannot be profitably discussed now.

"On the whole, the Budget inspires confidence as much in the financial strength of Government as in the ability of the Hon'ble Finance Minister to carry us through these difficult times with the minimum of inconvenience.

"My Lord, the Hon'ble Finance Minister will not think I am wanting in my appreciation of the provision he has made even at this time of difficulty for the extension of irrigation, both productive and protective, in my province as also for minor works, if I press the claims of the United Provinces for further allotments.

"But these are minor matters The great need of the Province is liberal Imperial grants for Education. The Hon'ble Finance Minister, in justification of the reduced programme of expenditure for Education, has referred among other things to the inability of the provinces to spend in full the non-recurring Imperial grants. But his conclusion must be based upon the experience of Provinces other than the United Provinces. So many schemes are ready that no difficulty can justly be apprehended on the score of the inability of the department to utilise a heavier allotment.

"My Lord, one more observation on a subject of local interest. The adverse decision of the House of Lords, as regards an Executive Council for the United Provinces, has been received with keen disappointment by the local public. Nobody ever thought the subject was anyway controversial or that there was any doubt about the policy of Government. We have all along hoped, and our hopes have been encouraged and confirmed by the sympathetic pronouncements of Government, that the Province would get the Council form of Government in a short time. We do not blame this Government for the

result. Indeed, the Government of India have been so earnest about the reform that a sum of Rs. 1,19,000 is allotted in the present Budget for an Executive Council for the United Provinces. But what we do complain is that the House of Lords should have intervened at the last moment to thwart an administrative reform to which the people justly attach great importance and about the utility and expediency of which this Government, with all the facts in its possession, is fully convinced. We sincerely trust the sound views of the Government of India will yet prevail, and this reform will be further pressed upon the Secretary of State as one which should be adopted at once in the interests of good government.

"My Lord, one matter of vital importance to the whole of India demands close scrutiny at the hands of Government. For the last few years the people have realised more and more the absolute necessity of a rapid extension of feeder railway lines, known as Light Railways, not only for the economic development of rural areas, but also for the safe and profitable investment of their savings. The encouragement so far given by Government to them has been productive of excellent results, and with the success of some of these lines the prospects of this class of private enterprise have brightened. The popularity of the railways is distinctly on the increase. But these factors appear to have excited the jealousy of the foreign companies working the trunk lines, and a movement seems to have been started by them for securing a monopoly of the feeder lines also. The most influential among them—the East Indian Railway Company and the Bengal-Nagpur Railway Company—according to the latest information, are seriously contemplating forming auxiliary companies for the floatation of schemes of feeder lines to those two trunk systems. This is most unfortunate, and the people look up to Government for arrangements, reserving for them this class of investment and enterprise. When we are anxious to participate in railway enterprise, there is no reason why we should not have as of right at least one class of railways in which we may have scope for our activity. There is nothing in principle to justify the existing arrangement under which the fate of a scheme started by a private company in India should be dependent upon the good-will and sanction of a powerful competitor like the big Companies managing the trunk lines. The subordination of our interests to those of foreign Companies is neither economically nor politically sound. I submit, My Lord, an early and sympathetic decision by Government on this subject is needed to satisfy public expectations.

"My Lord, the appointment of our colleague, Sardar Daljit Singh, to the India Council must be agreeable to landholders as a class all over the country. It has also the merit of giving effect to the principle embodied in the Parliamentary Bill for the reconstitution of that Council. For the first time has an elected member of the Imperial Legislative Council been selected to serve on the highest Executive Council. Apart from the question of the personal merits of the nominee, the selection should on this ground alone be acceptable to the public.

"My Lord, one more submission, and I have done. Your Excellency has come to be trusted and loved by the people; we have firm faith in your untiring industry for our good; we are safe under your protection. Self-interest accordingly pompts us to hope that, even though an extension of service may be personally disagreeable and inconvenient to you, Your Excellency will not leave the country you have loved so well until the clouds of war have completely passed away. We have fervent hope that His Imperial Majesty will be graciously pleased to consult the wishes of his Indian subjects and to allow India the substantial benefit of Your Excellency's sympathetic guidance till the war is over."

The Hon'ble Sir William Meyer :—"My Lord, I said in my speech in introducing the Financial Statement that the Budget for the coming year was framed by us under circumstances of peculiar difficulty and uncertainty. It is therefore a matter of sincere gratification to me, both on behalf of Your Excellency's Government and for myself in particular as Finance

Member, to find that the way in which we met the difficulties that confronted us, the manner in which we faced the situation without recourse to drastic cutting down of expenditure on the one side or the imposition of taxation on the other, has met with general approval throughout the country and that this has been so eloquently and unanimously voiced by our non-official Colleagues in Council. I think, too, that I may claim the same meed of approval for the special action taken from time to time by the Finance Department from the beginning of the war crisis. I thank my Hon'ble non-official Colleagues who have spoken for the very kind way in which they have referred to me personally; and it adds to my gratitude that I have not much to say in the way of a reply to criticisms, for I do not propose to travel outside matters that are cognate to the budget. This, My Lord, is a sort of recognised oratorical saturnalia; every member speaks of the things that are near to his heart; but as the Finance Member is also under a time limit he cannot be expected to follow all these devious paths and must keep to what actually belongs to his budget.

"Nor can I consider what the Hon'ble Mr. Banerjee and others have invited me to do; I cannot deal with what is going to happen when peace and plentl come back again—as I trust they will ere long—when that time comes we shay have to consider what we can do with, I hope, our abundant cash. In the meantime I am not going to be seduced by eloquence from Bengal or elsewherel into making any premature promises. I would only add a word of caution—that the end of the war is of course not necessarily the beginning of a new financial era; there will be a great deal of ground to make up and there will be also a good deal of temporary debt to defray.

"I will, however, make one exception to the rule I have laid down for myself. The Hon'ble Mr. Das pleaded for a member in this Council to represent the Indian Christian community. Well, although the Hon'ble Member specifically represents another constituency, he also represents the interests of his co-religionists so well that I wondered why this request was made, but, after a little cogitation, I think I have got the right reason. I have noticed on several occasions that the rigour of the time rule has brought down the guillotine on the Hon'ble Member when he was in the full flow of his eloquence. It is probable that if he could get a Colleague after his own heart, a brother of his soul, who might sit by him, he would, when the guillotine descended, pass on his manuscript and notes, and so the speech could be delivered in an entire form!

"The same Hon'ble Member complains of the want of special budget provision for the education of Indian Christians. Well, it is not usual to make special provision in budgets for education according to sects, but I must say I was a little surprised at this complaint of the neglect of his class, because I have always understood that the Indian Christian was exceedingly well-off for educational institutions, thanks to the activity of Missionary bodies for example, whose schools and colleges are largely subsidised by Government. And if my friend will look at actual results, he will find that the Indian Christians stand very high indeed in the educational scale.

"The Hon'ble Sir Gangadhar Chitnavis, Mr. Dadabhoy, Mr. Marshall Reid and Sir Fazulbhoy Currimbhoy dwelt on what I have said in regard to the possibility of borrowing in India next year. Well, I can only repeat here what I said in my speech on the Financial Statement that we hope to get 3 million pounds in India some way or other. We recognise that the circumstances are peculiar, and we must reserve to ourselves the consideration of the particular way in which we shall endeavour to do this. It would be quite premature to consider that matter now. The circumstances of the market, the circumstances of the political world, may have entirely changed before the time at which we usually bring out our loans. But I can say one thing in regard to what these Hon'ble Members have said, that of course the Government, in making any arrangements for next year, will have in mind, as far as possible, the safeguarding of the interests of the people who are in possession of existing Government securities. It would be very bad business on our part to do anything wantonly to depreciate our own paper, and we shall therefore take that

fact fully into consideration. I shall also keep fully in touch with commercial opinion through the Controller of Currency, Mr. Howard; and I am myself going down to Bombay presently. I think it is quite likely, though I cannot pledge myself yet, that when the time is more advanced, if things still seem difficult and uncertain, I may follow the example that has been urged upon me, that of Mr. Lloyd George, and, with Your Excellency's permission, have an informal conference with some representatives of the banking and commercial community. As I say, however, I cannot make any definite statement on that point yet. But I do hope that, if we have such a conference, the Bombay representatives will show themselves a little more courageous than my friend Mr. Marshall Reid. Mr. Reid commenced his speech by saying that although he accepted an eight million railway programme in the special circumstances of next year, as soon as things got normal again he was going to press not for a 12, but for a 15, million pound programme. That means, of course, extra borrowing, and I thought that Mr. Reid would go on to say that Bombay would help to find the money. Not so; he says 'provide more money for railways by all means, but for heaven's sake do not ask us to lend it to you; get the coin from somebody else.' Well, to those who ask Government to raise more money for capital enterprise I say that there must be two sides to every bargain, and if they want the Government to move they must do something to meet the Government.

"The Hon'ble Mr. Dadabhoy made some very interesting remarks about Post Office deposits and said that we should increase our present rate of interest. Well, our present rate of interest is 3 per cent, which is more liberal than what the Home Government gives and I think it is quite liberal enough as compared with our present borrowing rate. As we borrow in the open market at 3½ per cent, Mr. Dadabhoy would like us to pay 3½ per cent for our Post Office deposits also. But obviously there is all the difference in the world between the interest you pay for a loan which you do not have to repay except when you want to, and the interest which you pay on money which you have to pay out on demand, and which, as the circumstances of this year have shown, you may suddenly have to pay out to a large and inconvenient extent.

"The same Hon'ble Member was eager for more statistical information as regards education and sanitation, and epecially in regard to the expenditure of grants and so forth. Well, I endeavoured to give this in my last year's Budget speech as far as I could do so in a general way, and if my Hon'ble friend will refer to paragraphs 43 to 48 in my speech of last year he will find that I brought certain figures together. But when Mr. Dadabhoy asks for the same sort of information as is furnished by the Secretary's memorandum in respect of capital railway outlay, he must remember that in respect of capital railway outlay we are dealing with large projects of limited number which are entirely under our own control. Now as regards the outlay on education and sanitation, grants go from the Government of India to the Provinces, and the Provinces also make their own allotments from provincial funds. As these grants flow to the people through a vast variety of different channels, it would be quite impossible to have a statement showing expenditure on education and sanitation in the same way as expenditure on railways.

"The Hon'ble Mr Malaviya made some interesting remarks on export duties and import duties and Mr. Ghuznavi professed an ardent desire to pay more income tax. Well, these suggestions may prove useful if the time ever comes when we have to increase taxation, but I need not discuss them at present as we have decided not to do this now.

"The Hon'ble Mr. Malaviya referred to the taxation that was imposed in 1910, and said that it was that taxation that enabled the present Government to meet the existing crisis without putting on fresh taxes, implying that that taxation was imposed before its time. Well, that question was thoroughly debated at the time, but it will interest the Council, perhaps, to learn that the proceeds of that extra taxation come to about £1 million, and if Hon'ble Members will refer later on to that portion of my last year's speech to which I referred just now and look at paragraph 46 about grants to local Governments,

primarily for Education and Sanitation, they will find that besides large non-recurring grants we gave exactly a million pounds of permanent contributions to local Governments between 1911-12 and 1914-15 so that that may be taken against the extra taxation imposed in 1910. And of course there is another thing to be remembered on the other side, that we have lost about 3 million pounds recurring revenue under opium. So, although I should be the last person to belittle anything my predecessors have done—in fact, I think I tried to acknowledge their merits in the matter of finance very specially in my speech introducing the Financial Statement—still I do not think it can be fairly implied that we are entitled to no particular credit for not having imposed taxation this year because of the taxes imposed in 1910.

"The Hon'ble Pandit also referred to the land revenue and asked, why is the land revenue not coming down; and why is it going up? Well, that is a matter of course for my Hon'ble Colleague Sir Robert Carlyle rather than for myself, but I may say that land revenue naturally expands with the increase of cultivation. As regards the actual rates of land revenue, there was a very interesting enquiry, which the Hon'ble Pandit no doubt remembers, instituted by Lord Curzon about the year 1902, I think, and there are further discussions on the subject in the Chapter on Land Revenue in Volume IV of the Imperial Gazetteer.

"I think the Hon'ble Member will find there that, relatively, so far as the proportion which the Government takes, in comparison with the actual takings of the cultivator is concerned, the land revenue has not increased; it has decreased.

"The Hon'ble Raja Kushalpal Singh is very anxious about Feeder-line Companies. The Feeder-line Companies, I think, have shown their capacity to look after themselves. To my mind they are one of the most welcome features of the economic development of this country in recent years. You have got companies financed by indigenous capital opening out the country and earning a good rate of interest. And even during the present difficult circumstances, money is going on being subscribed. But the Hon'ble Member seemed to think that there was great rivalry between the feeder lines and the main lines. We had some correspondence with the Secretary of State on that subject not so many months ago, and the decision come to was that there was room for both. We came to the conclusion, and the Secretary of State entirely agreed, that there was room enough for various sorts of legitimate railway enterprise, and that the feeder companies were not suffering at all.

"The Hon'ble Mr. Surendra Nath Banerjee criticised the grant of time-scale allowances to Indian Civil Service and Police officers, and in so doing he also voiced an amount of criticism that I have seen in the press, for I can assure my Hon'ble friend that I do read the newspapers, including his own paper, the 'Bengalee.' I read his leading articles for political instruction, and I derive amusement from the letters of his London correspondent. I should like to explain more clearly what has happened in that matter. As Hon'ble Members will realise, there are two ways of paying the rank and file in any service, apart from the selection appointments at the top. You can have what is called a 'time-scale,' that is, a man gets so much on joining, and then his pay increases year by year—or it may perhaps be every two years or so; but it increases regularly by certain increments, provided, of course, he continues to do his work satisfactorily. As opposed to that, you may have what I may call a 'promotion scale.' Here there is no time-scale, but there are a certain number of grades and a certain number of posts in each grade. These carry specific rates of pay, and an officer's attaining to a particular grade or class does not depend directly on the length of his service, but has a certain amount of luck about it. It depends on the extent to which his seniors retire, or die or take leave, for leave gives him temporary promotion. Originally most of our big services were dealt with in this way, but of late years we have in a number of cases found the time-scale a more convenient method of payment, that is to say, for the rank and file; and many of the great services, Public Works, Education, Forests and so on, have been put on to a time-scale.

On the other hand, the Indian Civil Service and the Police remain on what I have called the promotion-scale. Well then, what is the result in a time like this ? It must be remembered that, even though you have a promotion-scale, you must have some sort of normal expectation of how things will go, not in any particular year, but throughout a period of say two or three years taken together. For instance in the Indian Civil Service, we carefully work out every year or so, with reference to recruitment, what the normal state of promotion ought to be. It has been recognised again that, an Indian civilian ought to be able to attain to what is called a superior appointment in a given period of time, and so on. When you have got an abnormal time ; when promotion is unduly blocked ; when, as the juniors would put it, people who ought to go, won't go ; or, as the state would put it, deserving officers remain on instead of retiring and on the top of this, leave is restricted or stopped, you get an abnormal block in a promotion-service. On the other hand, it does not affect a time-service at all, except to the minor extent that the top places which have special rates of pay may be filled more slowly. But apart from that, you may recall every man on leave and the juniors would still get their old rate of pay. When you get a promotion-scale and things are materially disturbed, that is to say the state of promotion is much slower than the normal rate which has obtained in past experience and tradition, it is not merely the existing members of the Service who suffer, but, unless something is done to remedy it, recruitment suffers; the calibre of your service is diminished for the future. We have had cases of that sort in the Indian Civil Service from time to time. I remember when I first came out in the early eighties, there was a block in promotion in Madras, and also in the United Provinces, which had led to the application of a minimum time-scale there. (I shall explain directly what this minimum time-scale exactly is.) Well in 1913, just before I joined the Government of India, it had been decided that there was again such an abnormal block in promotion, owing to people not being obliging enough to retire or die according to actuarial calculations, and also, to a certain extent, to over-recruitment during a series of years, that the Civilians in the United Provinces, the Punjab and the Central Provinces were getting far lower salaries than they had a right to expect, having regard, to the normal conditions of promotion for many years past. The Government of India, therefore, with the consent of the Secretary of State, gave what is called a minimum time-scale ; that is to say, they said that every man who had done a certain period of service should draw not less than a certain amount. But this minimum was not at all what the man would have drawn normally ; it was materially less than his normal expectation ; it was a certain *solatium* because it was thought unjust to the men themselves to undergo this sudden dislocation of their prospects without any palliative, and also, as I have said, because acute discontent in the service, which was thought to have some justice at the back of it, would re-act at home and prejudice future recruitment. Then, later on, the Government of Bombay asked for a similar application of the system to their Presidency and I would ask my Hon'ble friend to remember that the Government of Bombay contains as one of its members an Indian gentleman who had no previous connection with our Government services. Then came the circumstances of the present war, and it was thought desirable to recall officers from leave. They answered to the call most loyally, a great many of them, at very considerable personal loss. Many of them willingly surrendered leave they urgently required for the purposes of health and recuperation. The result of this was that all the normal expectations of acting promotion were disturbed, and after consideration, the Government of India, last autumn, thought it desirable that here again we should apply a minimum time-scale, which would be, as I say, a partial compensation, but would in no way be the equivalent of what the beneficiary would ordinarily be drawing in normal circumstances ; and that was necessarily applied to the whole of India. Then, after we had got the consent of the Secretary of State to that action in regard to the Indian Civil Service, we got his consent to similar action in regard to the Police. Of course it is open to any Hon'ble Member who does not agree, to argue that we might have done it for less and so on. But I do want the Council

to understand that our action was taken deliberately and with reference to what we thought the best interests of the country, having regard not merely to present members of the Services, but to the effect on future recruitment.

"I was sorry to hear the Hon'ble Mr. Abbott say that he thought India had not done enough in connection with this war, and compare our action with that of the Dominions, somewhat to the discredit of India.

"The contribution of India has not been limited to the amount of money we have given, substantial though that is compared to our resources, for I may bring to notice that without this contribution there would have been no deficit in 1914-15 and 1915-16 taken together. As my Hon'ble friend Pandit Madan Mohan Malaviya so aptly observed, we have contributed what is far more precious than silver and gold; we have contributed men. As Your Excellency observed some time ago in this Council, India has placed at the service of the Home Government in various parts of the world some 200,000 men, trained soldiers, whereas the forces of the Dominions, splendid fellows as they are, were, at the beginning of the war, largely untrained. India has not only done that; she has supplied munitions of war to a large extent to His Majesty's Government from her factories and from her arsenals; she has helped in supplying horses and mules; she has given to the full of what she possessed. And how was this possible? Because for many years India had been paying heavily for a splendid Army which was entertained, and necessarily entertained, for the defence of India. Well, India had been maintaining this Army long before the Dominions thought of doing anything, to speak of, in the way of military expenditure; and at the present period of stress, India placed a very great part of her Army which was, as I have said, primarily raised for other purposes, at the disposal of His Majesty's Government I cannot claim, of course, in any way to speak as a military expert, but I think I may say that the value of the Indian contingents who have done so splendidly in this war, the value of the Indian supplies of munitions of war, and so on, will prove to have been of most material assistance in determining the present campaigns. Besides that, there were the splendid offers from the Indian Chiefs to whom I referred in my speech on the Financial Statement, and I would like to add now the name of His Highness the Maharaja of Jaipur, who has since given 5 lakhs. My Lord, I do not want to be thought to belittle the Colonies in any way; but I love the people of India (Hear! hear!). I have served here for a generation and I cannot bear anybody to belittle India (Hear! hear! and applause), and to speak as though the part played by India in the war and her contribution to it, were in any way inferior to that of other parts of the Empire.

"I have nothing more to say, my Lord, except to express the hope that no unforeseen and untoward circumstances will cause any material reconsideration of the estimates we have made."

His Excellency the Viceroy:—"We are now approaching the close of another session of this Legislative Council, and before we disperse I would like to say a few words upon the budget and other matters of general interest.

"As regards the memorable budget which has been under discussion this session, it is a matter of much satisfaction to me that all its important decisions —those for example relating to taxation, capital outlay and borrowing—have commanded practically unanimous acceptance both inside this Council and beyond it. The imposition of additional taxation at the present time would not in our judgment have been justified, either by financial requirements or by the present economic condition of the country, and our attitude in this matter has, I think, been thoroughly understood and appreciated. As regards capital outlay, we have had to strike a mean. At a time like this, material development must inevitably be retarded. But our capital programme is an integral part of India's financial system, and must be maintained on a scale bearing some reasonable relation to past standards, if excessive hardship and

dislocation are to be avoided. Our borrowing arrangements naturally follow from the conclusions on these two points. We are fortunate in being able to see our way to carrying them through without straining our credit, or drawing to the full on reserves which may afterwards be required to meet the many contingencies of another year of war.

"Sir William Meyer's most interesting recital of the financial events of the war period brings out convincingly the inherent soundness and strength of India's financial position, and this has been recognised in every quarter. It is quite true that our revenue has suffered and that our resources have been depleted in other ways. This must be expected in a country whose fiscal system is so directly responsive, under almost every head of revenue, to fluctuating economic conditions, and whose Government performs so many financial functions besides that of looking after its own balances. We undoubtedly undertake in this country some heavy financial responsibilities, some indeed from which other Governments, the Home Government for example, are exempt. But we are in a position to say to-day, after eight months of war, that these responsibilities have been fully discharged, and that the strain which was thrown on us at the outset has now sensibly relaxed. At the same time we realise fully that another year of war must bring with it many unknown possibilities; and if further burdens are thus thrown upon our finances we are not unprepared to meet them.

"I turn now to the economic questions which have recently engaged my attention and that of my Government. The principal question under this head has been the high prices of wheat. When I addressed you at the beginning of this session, we had already restricted the exports from December to the end of March to a fixed quantity, in order to secure that only a limited proportion of the surplus remaining over from the old crop should be exported, and we had also taken powers to inquire into the existence of stocks, and, if necessary, to take over such as might be unreasonably withheld. The inquiries conducted by local Governments showed, however, that such stocks were not in existence, and further action in this direction could have had no good effect. It was, therefore, apparent that the only possible policy was to do what we could to relieve distress by cheap grain shops and the like, and to await the effect on prices of the new crop which usually begins to operate some time in February. World prices, however, continued to rise, and it became necessary in the interests of the Indian consumer to take steps which would ensure the effect of the new crop making itself felt as soon as possible. No ordinary measures would have sufficed, and the urgency of the situation called for decisive action. We accordingly issued the announcement that all private export of wheat would be prohibited on and after the 1st April. Our object was to ensure that as supplies of the new crop, which, I am glad to say, promises to be one of the finest on record, began to be marketed, they should be used to relieve the undoubted shortage in India instead of being attracted to other countries by the high prices prevalent in the markets of the world. The results of this announcement were immediately beneficial and prices promptly declined to a more reasonable level. At the same time we have not neglected our responsibilities to the cultivator and to Indian trade. There is every sign that there will be an unusually large surplus this year available for export, and while we intend to keep export under our own control in order that prices may not be driven up again by sudden and execessive exportation, we are equally desirous of allowing our export trade to be carried on, so far as is compatible with the interests of the Indian consumer. I trust that this double object will be achieved by the scheme which has already been laid before Council in a recent debate. Under this scheme we shall keep the control of purchases for export in our own hands, and we hope thus to be able to ensure a moderate level of prices, to safeguard the consumer, and yet not to disappoint the cultivator of his legitimate profits. The fact that we shall have created an artificially low level of prices in India, as compared with prices in the other markets of the world, implies that export may be conducted on a considerable margin of profit. We hope to make arrangements by which such profits as may accrue to the State under this

scheme will not be utilized, as is our revenue from normal sources, to meet the ordinary expenses of administration, but will be devoted to some special purpose for the advantage of the people. It is not possible for me now to say what this will be, but I have noted with sympathy the feeling expressed during the debate in my Council in favour of such profits as may accrue being expended for the benefit of the agricultural classes.

"In addition to the control of wheat, my administration has had to bear its part in the policy which is being so vigorously and successfully prosecuted by the Imperial Government for preventing supplies of foodstuffs and raw materials reaching the countries with which we are at war. The strictest watch has been kept upon our trade with neutrals. Prohibitions and restrictions have been imposed where necessary, and I have pleasure in testifying to the readiness with which the commercial community has submitted to these necessary interferences with the ordinary course of trade. Trading in India by firms or companies containing a hostile element has been put an end to, and the process of closing down such businesses is being carried into effect with due caution in order to avoid possible injury to Indian and British interests. At the same time, my Government have been giving such assistance as they can to Indian industries in its endeavours to take advantage of the opportunity for expansion afforded by the cessation of imports from Germany and Austria and other continental countries affected by the war. I should like to add that the whole question of promotion of industrial development in India is one which has been and is receiving the most careful consideration of myself and my Government, and I am glad to find from the prominent place which it has taken in the debates of my Council this session, that it is also occupying the minds of public men in India. The present time, when commerce and finance are naturally disturbed by a great war, when men's minds can hardly be expected to look on economic problems from their normal angle, is not in my judgment a suitable moment for taking special action or for initiating special inquiries as to how best this end may be achieved. But it is a question, the importance of which is very present in my thoughts, and it is one which I shall hope to see taken up vigorously and effectively as soon as normal conditions have supervened.

"Since I last addressed you on the subject of the war in Europe, the position of the Allies in Flanders has been maintained and improved, while in Eastern Prussia and Poland the tide of war has ebbed and flowed. The recent success, at Neuve Chapelle, in which the Indian Army Corps took so prominent a part has been a source of satisfaction to us all. In the meantime, the British fleet has maintained its absolute supremacy and having swept German commerce from off the seas, recently administered a severe punishment to a German squadron that wished to make a further bombardment of unprotected towns on the British coast. The economic pressure created by our supremacy at sea is gradually having its effect in Germany and the piratical policy now being pursued by German submarines is proof of the extent to which that pressure is being felt. Happily the efforts of the German submarines have met with very little success, and their number is diminishing under the losses that they have experienced. In any case such a policy can have no possible effect on the eventual result of the war, and there can be no doubt that the day of triumph of the Allies who are making huge sacrifices for the right of all free nations to live their own lives and follow their own destinies is slowly but surely dawning, when the monstrous theory that one military nation can impose by brute force her will and barbarous code of civilization upon all others will be finally shattered and hurled into utter oblivion and darkness.

"In the Near East, Turkey is beginning to experience the folly of the policy into which she has been forced by the reckless disregard by a small military clique under German tutelage of her best and highest interest.

"On every side where the Turkish forces have been engaged in fighting against the Allies they have met with reverses, and the moment is rapidly

approaching when, if the Turkish Government are sufficiently wise, they will throw themselves on the mercy of the Allies and thus free themselves from the German yoke.

"As an indication of how little the so-called Turkish Government is in touch with the real sentiments of the Turkish people, I may mention that a few weeks ago I saw a letter written by a resident in Constantinople in which, after describing the oppression and exaction of the military authorities, the confident opinion of the middle and lower classes of the Turks was expressed in the saying that 'it will be all right when the British fleet comes up'.

"As you are aware, I paid a short visit to the Persian Gulf and to Basrah a few weeks ago. It was a great pleasure and advantage to me to have an opportunity of inquiring into the whole economic, commercial, and political situation of the province of Basrah, and also to visit our troops in their advanced posts within six or seven miles of the Turkish Camp, which was plainly visible and to congratulate them on their prowess and splendid bearing. One could not but feel very proud of them all. I had also time to visit the hospitals in Basrah and was glad to be able to verify the fact that all the sick and wounded British and Indian troops are being well and carefully tended.

"As regards the province of Basrah it struck me as one of immense potentialities. Under Turkish misrule it has greatly suffered and the population of the surrounding country is consequently very sparse. At small expense the city of Basrah might become a splendid port, and the port of exit of all the trade of Mesopotamia and Northern Persia. Merely the fringes of the Shat-el-Arab have so far been cultivated, but the soil is extremely fertile and only the most elementary schemes of irrigation are required to extend indefinitely the area under cultivation. The climate is splendid and resembles that of the Northern Punjab. I cannot conceive of a country more suitable for Indian immigration in the future when a more stable form of Government has been established. That country may then really become a garden of Eden and blossom like a rose.

"You are aware of the declaration made by the British, French, and Russian Governments of the inviolability of the holy places and of the freedom of Jeddah from attack so long as there was no interference with the Indian pilgrims. Solicitude for the welfare of pilgrims generally prompted His Majesty's Government, on hearing that there was a shortage of food-stuffs at Jeddah and Mecca, to arrange for supplies to be sent there for distribution by the Italian Consul at Jeddah. I regret to state that the Turkish authorities, in spite of the protests of the Italian Consul, have seized for military purposes a cargo of 30,000 sacks of barley destined for the pilgrims. Until, therefore, we are able to receive some definite assurance that any further supplies that may be sent will reach their proper destination, it will be impossible for His Majesty's Government to make any further similar arrangements.

"On the North-Western frontier the situation remains normal; and although there have been attacks on our advanced posts by trans-frontier tribesmen, they have been gallantly and successfully repelled by our troops, militia, and tribal levies.

"It has been with a sense of profound regret that I have learnt that an address to His Majesty the King-Emperor against the draft Proclamation creating an Executive Council for the United Provinces has been carried by the House of Lords. It appears that out of a total of nearly 650 Peers of the Realm and in a House of only 73 Peers, the motion against the draft Proclamation was carried by 47 votes to 26. No information has been received of any similar motion in the House of Commons, and we may therefore conclude that the Proclamation has not been rejected by Parliament as a whole. As you are aware, the Proclamation was approved by the Governor General in Council, by the Secretary of State in Council, and by His Majesty's Government, and, in accordance with the law, was laid upon the table in both Houses of Parliament. It may seem to you, as it does to me, a matter of

serious concern that it should be within the power of a small body of Peers, who perhaps hardly realise the rate of progress made in this country during the past few years to throw out a proposition put by the Government of India and His Majesty's Government before Parliament with the full approbation of Indian public opinion. It seems clear to me, under the circumstances, that a modification of the law by which such procedure is possible is absolutely essential, and I trust that this will be recognised by His Majesty's Government.

"Nobody can reasonably contend that, with the advance of civilisation entailing the discussion and solution of new questions of ever-increasing complexity arising every day, one-man Government is better than Council Government. The principle of Executive Councils for local Governments by which the local administration is less dependent upon the personal equation and which ensures a greater continuity of policy has already taken root in India and cannot now be eradicated. Moreover the inclusion of an Indian gentleman in the Council of a province is to my mind a source of great strength to the Governor or Lieutenant-Governor. I speak from my own experience, and have no hesitation in saying, without any idea of flattery, that the presence of my friend Sir Ali Imam on my Council and his knowledge and experience are and have been of the greatest possible advantage to me and my Government. I can well understand that all educated people of this country will be disappointed at the result of the action of a small party in the House of Lords, but I would ask them not to be depressed, for I regard the proceedings of the 16th March in the House of Lords as only a temporary set-back, and I feel as confident that the United Provinces will have its Executive Council within a very short period as that the dawn will follow the night.

"The activities of the Council during the current session have necessarily been circumscribed by the decision to avoid as far as possible all controversial business. Nevertheless some measures of importance have come under your consideration. I need only refer to the measure recently passed in this Council to secure the defence of India and the public safety, in order to express the thanks of Government for your loyal co-operation in enacting that measure. Another Bill of importance has also been passed in this Council, namely, the Assam Labour and Emigration Act, which I hope will mark a stage in our efforts to remove abuses attendant on the present system of emigration and in securing that the welfare of labourers recruited to Assam is adequately safeguarded. The only other measure of importance to which I need allude is the Benares Hindu University Bill which was introduced into this Council on the 22nd. It will be a source of gratification to me if this measure becomes law during my tenure of office as Governor General. It is too early to speak of the possible effects of this Bill, but I have every hope that it will do much to promote the cause of education and to encourage learning and research amongst all classes.

"In the discussion of resolutions, though the range of subjects has also been limited by the exclusion of controversial matters, much valuable experience has been gained. I may refer to the discussion on the export of wheat as particularly instructive. It enabled the Government to ascertain the views of the Council on the subject and to make an important and effective pronouncement of its policy. The discussion on the management of State Railways was of equal importance and interest. In these circumstances, although our session this year has not been a full one, I think we may congratulate ourselves that we have done a considerable amount of useful work in spite of the difficulties which have confronted us.

"I wish also to say one word of a personal nature. I thank you for the kind words that so many of you have been so good as to speak of myself and my administration. I am very grateful and shall always treasure those words, but I have only done my duty; and although I love India and wish always to do my duty towards her, the question of the duration of my stay in India is not one that is in my hands.

"With these few words I will now conclude, and in adjourning this Council *sine die*, I wish you all a very happy return to your homes."

The Council adjourned *sine die*.

W. H. VINCENT,

Secretary to the Government of India,
Legislative Department.

DELHI;

The 30th March, 1915.

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FOR 1915-16,

AND

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(*Colonel Yate.*)

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GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

FINANCIAL STATEMENT AND BUDGET

FOR

1916-1917.

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Speech of the Honourable Finance Member

INTRODUCING THE

FINANCIAL STATEMENT FOR 1916-17.

Introductory.

Some general effects of the War on trade and finance.

My Lord,

I rise to present the Financial Statement for 1916-17. As usual there will be no debate to-day, and before we get to the stage of discussion with reference to the Financial Statement as such, it will be necessary to proceed with some very urgent legislation which I shall presently have to introduce. We shall, however, begin the discussion stage on the 9th March. The figures in the Financial Statement will subsequently undergo such amendments as may be required by our later information or suggested by the discussions in Council. The Budget in its final form will be presented on the 21st March, the usual closing debate taking place on the 24th.

2. We are still under the shadow of the great European war, and we must unhappily assume that that colossal conflict will continue throughout 1916-17. I need not repeat what I said at the opening of my last year's speech as to the many ways in which the war affects our financial and economic position, but I may fitly reiterate the difficulties which existing circumstances cause in regard to the preparation of correct financial estimates. These difficulties are not so great as they were at this time last year when we had only the actuals of a few months of war to go upon. But they still remain very considerable, for circumstances may well occur which would materially alter the prognostications we are at present able to make. As I said last year, we must not be too pessimistic, but at the same time, with all that the war and its economic results may yet have in store for us, sanguine estimating is entirely out of place.

3. I commenced my speech last year by indicating some of the immediate effects of the war on our economic and financial position. Since then, to use a nautical metaphor, while we are still in very heavy waters, our ship has settled down to navigation on a more even keel, and we have been free from the sudden and disturbing shocks which the outbreak of war brought about. We have, for example, had no recurrence of the great rush on postal savings banks deposits which I mentioned in paragraph 7 of my last year's speech and which reduced the aggregate amount held in these banks from 24¼ crores at the beginning of August 1914 to somewhat less than 15 crores on the 31st of March last. In the current year, there was some increase in the deposits during the earlier months, and though latterly this has changed into a decrease, we estimate that on the 31st March the total savings bank balances, including accruals of fresh interest, will still be 17 lakhs in excess of the figure for 1st April 1915. Nor have we had any recurrence of a special demand for the encashment of currency notes. On the contrary, while our active note circulation* stood at about 47 crores at the beginning of the current year, it had mounted up to 54 crores in February.

4. The Railway returns show satisfactory activity in internal trade, while the exchange position has been satisfactorily maintained. The sale of reverse Councils on London, in the shape of deferred telegraphic transfers, was only necessary during a period commencing in June last and ending in September; thereafter an extraordinarily strong demand for Council drafts on India set in, which has been maintained till the present date. The stability of our exchange, indeed, stands in marked contrast to the exchange troubles that have afflicted the belligerent countries in Europe, including Great Britain herself.

5. On the other hand, if the difficulties of the opening months of the war have not been specifically repeated, the second year has brought its own perplexities. The very strength of exchange, though a healthy sign in itself, has proved a somewhat

* That is excluding notes in Government Reserve treasuries and at the headquarter offices of the Presidency Banks.

inconvenient problem, in view of the very large indirect remittances which, as I shall show more fully later, we have had to make by incurring military expenditure in India which is recoverable from the Home Government. Money market conditions, again, have become very stringent, and the situation has been aggravated by the depression of Government paper. We have found it necessary to place far more stringent restrictions upon expenditure, and also to restrict the borrowings of public bodies in India, and we ourselves are now shut off from fresh borrowing in the Home market. Thus, though in some respects we may have less to fear from the element of surprise than a year ago, we have settled down to a fuller realisation of the test of endurance which this prolonged war imposes on us.

6. We have moreover been badly treated by the monsoon. The last cold weather rains were unusually plentiful, and the outlook at the beginning of the year was promising. The south-west monsoon, however, arrived late, and was weak and unsteady in July and August, particularly in the north-west of India. A line drawn from Bombay to Delhi may be said roughly to have divided the area on the east, in which the rainfall was good or excessive, from that on the west in which it was deficient. Excessive rain produced serious, and sometimes disastrous, floods in Assam, where the hill section of the Assam-Bengal Railway was so badly damaged that it had to be closed for a time; in the Noakhali and Tipperah districts of Bengal; and in the Cawnpore and Lucknow tracts of the United Provinces. In the west, on the other hand, a continued shortage of rain threatened at one time to have very serious consequences. Fortunately opportune rainfall in September and October greatly improved the prospects of the important *rabi* crops in the Punjab, and changed the position considerably for the better elsewhere, especially in Gujarat where there would otherwise have been famine.

This year's winter rains, again—long delayed and scanty—have proved very inadequate in Northern India, though what fell last month distinctly improved the previous situation.

The conditions described have of course materially affected the land revenue, and have involved a certain amount of outlay, to which I shall refer later, on the conveyance of fodder, and to some extent on direct relief. On the whole, however, the results, from the financial standpoint, have been much less serious than at one time seemed probable. A splendid wheat crop was harvested at the beginning of the year, and there was a satisfactory outturn of sugarcane and cotton. The jute crop, on the other hand, showed a decrease of some three million bales. As regards the crops at present on the ground, the wheat over a large area has suffered from want of rain; the cotton area and outturn are estimated at some 30 per cent below those of last year; the prospects of the oil-seed crop and sugarcane are fair; and the season has on the whole been favourable for the rice crop, except where it has suffered from floods.

7. The depressing effects of the war on the foreign trade of India of course continue, and scarcity and dearness of freight add to the effects produced by the closure of ordinary trade channels and by special restrictions which have been necessary for military and public purposes. As an instance of the way in which freight has risen in the course of the war, and of the diversion of merchant shipping to military and naval purposes, I may mention that recent information shows that jute freights from Calcutta to Dundee are eight times what they were before the war began, while in the case of light seeds from Bombay to Marseilles the increase is ninefold. These specimen figures will give some idea of the extent to which shortage and costliness of freight have hampered trade operations.

There is no need to go into detail in regard to the various special restrictions which have been placed on exports and imports in the course of the war, but speaking generally such control has become much closer during the current year. The general policy throughout has been (*a*) to restrict the trade in foodstuffs and articles capable of being turned to warlike uses in the case of countries whence they can pass to the enemy; (*b*) to stimulate the export of a few articles to the United Kingdom and allied countries, or countries which are making munitions for the Allies; and (*c*) to restrict the export of a very few articles owing to their being needed in India.

8. The combined operation of these causes, together with the stoppage of trade from and to enemy countries, has naturally resulted in the contraction of the volume of our sea-borne trade. In the year 1914-15, two-thirds of which was under war conditions, the total trade of India amounted to 354 crores (£236 million) against 491 crores (£327 million) in 1913-14, there having been a decrease, in respect of

private merchandise, of 25 per cent under imports and 27 per cent under exports. Taking the first nine months of the current official year, the exports of private merchandise are much the same as in the corresponding period of 1914-15 (142 crores against 141), while imports are about 12 crores less (97 against 109), the advantage that 1914-15 obtains owing to its including 4 months of peace having been largely counterbalanced by the great dislocation in trade in September and October which followed the exploits of the "Emden." While our trade is considerably diminished with most countries, and has of course completely stopped with enemy nations and with Belgium, there has been some compensation in the shape of larger exports to the United Kingdom. In the first nine months of the current year these—in the case of the more important articles—exceeded the figure of the corresponding period of 1913-14 by 9 crores.

9. On the export side the volume of trade has expanded in some directions under the demand for our tea, hides and skins, raw jute and jute and cotton manufactures—shipment of these articles taken together, having increased, as compared with the corresponding nine months of 1914-15, by 15¾ crores. Exports of tea, gunny bags and cloth have in fact reached a record figure. The prices of all these commodities have improved: those of jute in particular have largely recovered from the depression to which I referred in paragraph 14 of my last year's speech; raw jute standing a few days ago at R52-8 per bale of 400 lbs. against R37-8 on the corresponding date last year. Cotton prices too have risen, the last quotation per candy (784 lbs.) of *oomras* at Bombay being R254 against R157 on the corresponding date in 1915, and R222 before the war broke out. This recovery in price, and the requirements of Japan, which has taken over one million cwt. more than in the corresponding period of 1914-15, have helped to counteract to some extent the loss of the Continental markets to which Indian cotton is in normal times ordinarily shipped: but the contraction in the exports of this staple is nevertheless over 11 crores. Exports of seeds, too, have fallen off considerably. I shall refer to wheat exports and prices towards the end of my speech, in connection with the Wheat Scheme, but I may mention here that the exports of wheat have been about 650,000 tons, which is approximately the same as in the corresponding period of 1914-15, though a great deal less than the exports of the year preceding (about 1,100,000 tons). This year the transactions would of course have been much larger than they were but for the fact that the Government, in the interests of Indian consumers, found it necessary to put special restrictions upon export.

10. On the import side our trade for the current financial year remains much below the level reached before the war, and so far shows little recovery from the sudden drop which occurred at the outbreak of hostilities; and this of course has had a very prejudicial effect on our customs revenue. I shall refer later on to the particular Tariff heads most affected.

I now pass on to the task of laying before the Council our estimates for the present and the coming year.

Forecast of financial conditions in 1915-16 and 1916-17.

Revised Estimate of Revenue and Expenditure for 1915-16.

11. The general position is brought out in the following table*, which compares the current year's Budget and the Revised Estimate now put forward:—

[In millions of pounds.]

	Budget, 1915-16.			Revised, 1915-16.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . . .	**49·650**	30·750	80·400	**51·868**	30·638	82·506
Expenditure . . .	**52·607**	31·828	84·435	**53·968**	31·296	85·264
Deficit (—) .	**—2·957**	—1·078	—4·035	**—2·100**	—·658	—2·758

*But see adjustment referred to at the close of paragraph 17 and the final table in paragraph 61.

Revenue—Imperial.

12. We budgeted this year for a total Imperial revenue of about £49·6 million. The Revised Estimate shows £51·8 million, or an increase of about £2·2 million.

This is due entirely to an increase of £2·3 million under the net receipts from State Railways, *i.e.*, gross receipts, less working expenses and portion of surplus profits paid to companies. In the current year's Budget we estimated the gross receipts at £35·3 million and the net at £14·9 million—against £35·6 million and £15·2 million the corresponding figures taken in the Revised Estimate for 1914-15, and £37·5 million and £17·5 million the respective figures for 1913-14. We had to estimate with caution in view of the altered state of things brought about by the war, remembering that the first four months of 1914-15 were under peace conditions. Fortunately the railways have done considerably better than we expected : the gross receipts are now taken at £37·7 million, and the net at £17·2 million. The improvement is attributable partly to more active internal trade and partly to coal which would usually have been sea-borne being diverted to railway routes in consequence of the shortage of tonnage.

13. There is a net decrease of about £100,000 under the remaining heads of revenue, produced mainly by a falling off under Customs and the Imperial share of Land Revenue, counterbalanced by increase under some other heads.

(1) The Land Revenue deterioration (£220,000) is accounted for by the unsatisfactory character of the south-west monsoon in various parts of the country, to which I have already alluded, especially in the United Provinces, the Punjab, and Bombay *quâ* Gujarat and Sind. The position would, of course, have been much more serious but for the late rains which finally arrived in Gujarat and elsewhere.

(2) Under Customs the decline of revenue—mainly due to war conditions, including scarcity of shipping and heavy freights—has been larger by £310,000 than was anticipated in the Budget. The most important shortages anticipated are in respect of rice (export duty), cotton manufactures, metals and manufactures of metals, and petroleum, while we get some rise in sugar and manufactured articles.

(3) On the other hand two Imperial heads—Posts and Telegraphs, and Opium—show a satisfactory improvement, totalling £270,000. Under Salt, too, there is a rise of £150,000; but this is mainly due to speculative clearances made in the last few weeks in the expectation of an enhancement of duty. There is also, turning to heads which are largely Provincial, an improvement aggregating £210,000 in the Imperial share of Stamps and Income Tax, which is to some extent counterbalanced by a falling off of £70,000 under the Imperial share of Excise, the revenue from which is readily depressed by adverse trade and seasonal conditions.

These, however, are little more than the normal variations between estimates and actuals or semi-actuals to which we are accustomed in an ordinary year.

(4) The asisgnments of Imperial revenue to Local Governments have increased by £130,000, owing chiefly to the payment to the Government of Bihar and Orissa of a contribution promised to it to meet the initial outlay on the High Court buildings at Bankipur.

(5) The outstanding feature of the revenue history of the period is thus the excellent return from Railways, in spite of conditions which at the outset appeared adverse. As I shall show shortly, the expenditure side presents as striking a feature in the excess under military expenditure, and these two items may be noted as constituting the only really important departures from the estimates we made in forecasting, twelve months ago, the prospects of an unprecedentedly doubtful year.

Expenditure—Imperial.

14. We budgeted for a total Imperial expenditure of £52·6 million, which has now to be raised to £53·9 million. This increase is entirely due to larger outlay on Military Services, amounting in all to £1·6 million. In the Budget we took the total outlay under this head at £21·4 million, against £21·8 million in the Revised Estimate for 1914-15, the decrease being due mainly to cutting down of all avoidable expenditure with reference to the financial situation. I may explain that the figures I am now handling include the contribution made by India towards the war by her defrayal of the normal charges in connection with troops she has sent outside her borders, but they do not of course take into account expenditure which we incur out here

merely on behalf of His Majesty's Government—in regard to such matters for instance as the supply of munitions and war material—and which we recover from them.

The large increase over our Budget anticipation is due mainly to the following causes :—

(1) Revised arrangements with His Majesty's Government in regard to the practical application of the general formula that India should make no saving by war conditions. The sea transport charges, for instance, which we have to incur on our own account, are at present very small, owing to the cessation of normal drafts and reliefs of British troops, and in the Budget we considered ourselves entitled to take this as a legitimate saving. After further discussion, however, it has been decided that we ought to pay the same charge as if normal conditions had prevailed; and including retrospective application of this principle to the war period of 1914-15, we have had to make an extra payment on this account of about £540,000.

(2) It has similarly been decided that although the Territorial troops who have been sent out to us in exchange for regular British troops on the Indian establishment were at first less in number than the troops they have replaced, we ought to pay the same amount as if we had had our normal establishment of regulars all along; and adding food charges to pay and allowances, this decision results in an extra cost of about £400,000.

(3) The military operations we have had to undertake on the North-West Frontier have involved an additional cost of about £260,000, to which must be added another £90,000 in respect of operations at Aden.

(4) We shall also have had to spend about £260,000 more for various special measures connected with the internal security of the country and possible eventualities on the frontier.

Taking *net* military outlay, *i.e.*, gross expenditure less receipts, this now stands at £21·8 million against £20·2 million taken in the Budget.

15. As regards the civil heads, there is an excess of about £150,000 under furlough allowances, due to a partial relaxation of the restrictions on leave which were imposed at the beginning of the war. On the other hand, there is a saving of £120,000 on the interest payable on capital deposited by Railway Companies resulting from a curtailment of their intended borrowings.

The other items on the expenditure side reflect the results of a stricter policy of retrenchment. The scope for retardation of expenditure is of course much less on the Imperial than the Provincial side, since the latter includes all the main heads of civil administration; and in both cases it had already been restricted by the reduced allotments which we made in the budget of the current year. The total saving on the non-military Imperial heads amounts, however, to as much as £260,000, so that, taking the military services into account, the increase on the expenditure side as a whole is £1·3 million, which falls short of the improvement in revenue by some £900,000.

Revenue and Expenditure—Provincial.

16. The Provincial revenues were taken in the Budget at £30¾ million, and expenditure at £31·8 million, leaving a deficit of over £1 million to be met by drawings on the Provincial balances. The figures now are—revenue £30·638 million, expenditure £31·296 million, deficit £658,000. Like ourselves, the Provincial Governments have suffered in respect of their Land Revenue and Excise, their total loss under these heads, as compared with Budget anticipation, being about £380,000. There has also been a falling off of £120,000 in the Forest revenue—of which nearly £80,000 occurs in Burma and is due to shortage of freight and reduced demand for timber occasioned by the war. On the other hand, the Provinces share our fortune in having had better returns—to the extent of £215,000—under Stamps and Income Tax.

The reduction of expenditure, amounting in all to some £500,000, occurs under Civil Works, Education and Land Revenue. I must in this connection convey our appreciative acknowledgment of the loyal and thorough way in which the Local Governments have responded to our call for retrenchment both as regards 1915-16 and 1916-17, with the result, in the case of the present year, that though their original Budget grants were restricted at the outset, and their revenues have not quite come up to expectations, the Provinces are now expected to close the year with an aggregate deficit of some £400,000 less than their Budgets allowed for.

General Results—Imperial and Provincial.

17. The aggregate figures of Imperial and Provincial revenue and expenditure are brought out in the statement in paragraph 11, and I need only emphasise the following points:—

(1) The revenue is £2,100,000 more than we anticipated in the Budget, there being an increase of £2·2 million under Imperial, and a decrease of £100,000 under Provincial.

(2) The expenditure is £0·8 million more than we anticipated. There has been a saving of some £500,000 under Provincial, but an increase of £1·3 million under Imperial.

(3) Consequently the Imperial deficit is reduced from £3 million to £2·1 million, the Provincial from £1 million to £0·6 million, and the aggregate from £4 million to £2·7 million.

But as I shall explain later on (paragraph 60), our Budget proposals for the coming year will react on our revenue of 1915-16 to the extent of an addition thereto of about £110,000, so that the Imperial deficit becomes £2 million, or more exactly £1,986,000.

Revised estimate, 1915-16. Ways and Means position.

18. I now turn to the ways and means arrangements of the current year. Our Budget programme contemplated the continuance of the temporary loan of £7 million taken from the Gold Standard Reserve in the earlier months of the war and the renewal of the temporary debt, also amounting to £7 million, which had been raised by the Secretary of State in 1914-15 in the form of short-term India bills. Apart from these transactions, our Budget expectations as to the outlay to be financed and the resources by which it was to be covered were as follows:—

(In millions of pounds.)

Outlay.		*Resources.*	
Imperial deficit	3·0	From balances	5·0
Provincial deficit	1·0	Rupee borrowing	3·0
Capital outlay—		Fresh sterling borrowing	6·5
Railways	8·0	Famine Insurance and miscellaneous items	0·1
Irrigation	1·1		
Delhi	0·3	Total	14·6
Discharge of debt (India bonds and Indian Midland Railway debentures)	1·0		
Unfunded debt	0·2		
Total	14·6		

19. The opening balance of the year (in India and England together) was estimated at £21·4 million and the closing balance at £16·4 million.

The actual opening balance has, however, turned out to be £22·7 million. This is mainly accounted for by the fact that the Imperial deficit for 1914-15, which we had taken at £2·8 million, proved to be £1 million less, owing mainly to unexpectedly better receipts under Railways and heavy clearances of Salt towards the close of the year. There was also some further lapse under capital expenditure.

20. The figures in paragraph 18 will now stand as follows:—

(In millions of pounds.)

Outlay.		*Resources.*	
Imperial deficit (*vide* end of para. 17)	2·0	From balances	5·0
Provincial deficit	0·6	Rupee borrowing	3·3
Capital outlay—		Sterling borrowing	3·1
Railways	4·9	Unfunded debt	0·7
Irrigation	0·9	Special war receipts	1·7
Delhi	0·3		
Discharge of debt	4·0		
Famine insurance and miscellaneous items.	1·1	Total	13·8
Total	13·8		

21. As regards outlay, I have already explained the decrease in the Imperial and Provincial deficits. The Railway programme was reduced by some £250,000 almost at the outset in consequence of pressure from the Treasury at home against undertaking new works. The remaining falling off under this head as compared with Budget anticipations is due to difficulties in obtaining Railway material, etc., from

home and the economies enjoined with reference to the existing financial situation. There is also a minor saving under the Irrigation programme, and a slight excess, which will be explained later on, in the Delhi expenditure.

The various items that make up the Famine Insurance and Miscellaneous head, instead of almost counterbalancing one another as was anticipated in the Budget, have, on the whole, involved a substantial net outlay, owing mainly to heavier withdrawals of deposits and advances for our troops in the field, and also transactions connected with Council Bills. This head is thus transferred to the outlay side, while on the other hand the entry 'Unfunded Debt' is now expected to yield us a net receipt, and is transferred to the resources side of the account just given.

Lastly we have applied £3 million of the savings available under the outlay side of our original programme to the reduction by that amount of the £7 million which we temporarily borrowed from the Gold Standard Reserve in 1914-15; and as the Secretary of State's Council drawings have enabled him to discharge this liability at home, the Reserve is thus in a stronger position, actually as well as potentially, in the event of any future weakening in exchange. It will be noticed that this sum of £3 million corresponds roughly to the amount by which, in the special circumstances of the year, we have had to curtail the sum originally destined for Railway capital expenditure, so that that lapse may be regarded as having been employed in the next best way—that of strengthening our general position for the remainder of the war.

22. As regards resources, the increase of £300,000 as compared with the Budget estimate under rupee borrowing is due to the 50 lakhs received from the special Post Office section of the loan of 1915 to which I shall refer in greater detail later on. On the other hand the net sterling borrowing has fallen from £6·5 to £3·1 million since, in present circumstances, the Secretary of State has only found it possible to raise £3·4 million out of the £6·5 million of fresh sterling borrowing which the Budget calculations took credit for, while he has had to discharge some £300,000 of Railway debentures which he had originally intended to renew.

Under Unfunded Debt, in view of the heavy withdrawals from postal savings banks in 1914-15, we assumed in the Budget, as a matter of precaution, that there would be further withdrawals amounting to £1 million in the current year, which would, however, be largely counterbalanced by Provident Fund and other deposits. The anticipation of heavy withdrawals has happily not been realized. These amount to £170,000 only, of which £120,000 has gone into the post office section of the new loan. Thus the Unfunded Debt head has yielded receipts amounting (after including the large subscriptions to Provident Funds managed by Government and the accrual of fresh interest on savings bank accounts) to £700,000, instead of a net outlay of £200,000 as anticipated in the Budget.

We have also obtained certain special receipts arising from war conditions which we are temporarily carrying in our balances. These include £850,000 from the liquidation of hostile firms, and about £700,000 obtained from the employment of captured enemy vessels, as well as a balance on our wheat operations to which I shall refer later, and which we are holding in suspense until the wheat scheme is finally closed.

The transactions above described bring us to a closing balance of £17·7 million in India and England, exclusive of the amount held in the balance of the Home Treasury on account of the Gold Standard Reserve.

Budget Estimate of Revenue and Expenditure for 1916-17 on present basis of taxation.

23. The following table brings out, on the present basis of taxation, our Budget anticipations for 1916-17, as compared with the Revised Estimate for the current year.

[In millions of pounds.]

	Revised, 1915-16.			Budget, 1916-17.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . . .	**51·868**	30·638	82·506	**52·004**	30·548	82·552
Expenditure . .	**53·968**	31·296	85·264	**54·599**	30·913	85·512
Deficit (—) .	**—2·100**	—·658	—2·758	**—2·595**	—·365	—2·960

Revenue—Imperial.

24. Assuming a normal south-west monsoon in 1916, we take the Imperial revenue for 1916-17 at £52 million, or about £130,000 more than what we are now expecting in the current year.

The satisfactory results of the working of the Railways this year justify our assuming a considerably higher return than was considered safe a year ago, and we have put up both the gross receipts and the net revenue by more than £1⅔ million, as compared with the current year's budget. This head, however, is one under which it is specially necessary to take cautious estimates, since a relatively small percentage of error may lead to a difference in the aggregate sufficient to affect the financial position to a material extent. Even apart from the war and possible further trade restrictions connected therewith, the outlook for 1916-17 is not wholly satisfactory in view of the unfavourable south-west monsoon of the current year and the unsatisfactory winter rains, and we think, after very careful examination, that it is not safe to count on a full repetition of the record railway revenue which we count on obtaining this year. Thus our estimates, for gross receipts (£37·2 million) and for net railway revenue (£16·6 million), are from five to six hundred thousand pounds below the Revised Estimate of the current year, or to be more exact, £610,000 in the case of net revenue.

On the other hand we expect an increase of more than £400,000 under Opium. This is associated with a brisk demand in the Far East, which has led to an increase in the indents from the Straits Settlements and Hong Kong, whose Governments we supply direct, and has enabled us to raise the upset price of the opium which we sell by auction up to R1,800 a chest with effect from January last, so that we obtain the full benefit of the higher prices throughout 1916-17, as against a part only of the current year. Also, on a re-examination of the existing cost of production, we have somewhat enhanced the charge which we recover from Local Governments for opium supplied to them for excise purposes. We expect, too, a large increase in the demand for the export of opium to England for medical purposes, which has come into being from the shutting down of the Turkish market.

25. The variations under other heads are less important. In the Imperial share of Land Revenue we expect an improvement of £133,000 as compared with this year's yield, which has been reduced in some tracts by remissions and suspensions following the unsatisfactory monsoon. We allow too for a continued growth of revenue under Posts and Telegraphs, and for a reduction in the assignments of Imperial revenue to Local Governments owing to the absence of certain special contributions given in the current year. Interest receipts also show a substantial improvement owing to a larger investment in respect of the Paper Currency Reserve to which I shall refer at a later stage.

On the other hand, our Salt revenue is not likely to be again disturbed, as it has been for the last two years, by clearances towards the close of the year with a view to the evasion of a threatened increase in the salt duty; so we cannot count in 1916-17 on the additional revenue obtained this year.

For Customs as a whole we are practically repeating the Revised Estimate of the current year. We allow for a possible fall in the demand for silver and in the imports of piece-goods, but also for the fact that a considerable improvement is expected under sugar in view of the new tariff valuations, which reflect the high prices arising from the war.

Expenditure—Imperial.

26. On the expenditure side we have to provide for about £600,000 more than in the current year owing largely to increased provision for Postal and Telegraph and Military expenditure, amounting to about £280,000 and £150,000 respectively. In the former case the increase is mainly due to the necessity for replenishment of stores, stocks having been depleted in the current year.

Under Interest on Debt, there is comparatively little change. As each new rupee loan is raised the interest charges increase; but on the other hand we shall avoid next year a considerable payment of interest to the Gold Standard Reserve through the discharge of £3 million of the temporary loan which we took from it in 1914-15, and there will also be some saving, which I shall explain later on, in respect of sterling India Bills. There will, however, be some increase in

the interest on capital deposited by Railway companies, as a whole year's interest payments will fall due upon their borrowings (through the Secretary of State) in the current year.

27. We estimate the net expenditure on military services at £22 million, against £21·8 million in the Revised Estimate for the current year. We shall be relieved in 1916-17 of certain arrear charges which we had to meet this year—*vide* paragraph 14 above. But in view of sudden military requirements which are likely to arise in a time of war, such as contributed to the large excess over our Budget Estimate in the current year, we think it only prudent to provide for some moderate reserve to meet such unexpected and minor contingencies.

I may mention here that, speaking very roughly—for the actual readjustment of charges in respect of the many units involved is an exceedingly complicated matter, and calculations are liable to further disturbance by changes in the strength and composition of the expeditionary forces fighting outside India—our contribution to His Majesty's Government in respect of the cost of the troops we have furnished for fighting the battles of the King-Emperor outside his Indian dominions will amount to about £11 million from the commencement of the war up to the 31st March 1916, and may be provisionally taken at £8 million for 1916-17. The amount is increasing with the additions which have from time to time been made to the contingents originally furnished by India. We have also during this period incurred a considerable outlay in India, which would not have come upon us but for the war.

28. Taking Imperial revenue and expenditure together, and still adhering to the present basis of taxation, our deficit for next year is likely to be £2·6 million, against £2·1 million estimated in present conditions for 1915-16, and £1·8 million which actually occurred in 1914-15, the first year of the war.

Revenue and Expenditure—Provincial.

29. The Provincial revenues are taken in the new Budget at £30·5 million, and the expenditure at £30·9 million, the deficit, to be met by drawings on Provincial balances, being thus restricted to about £400,000.

A small deterioration of £90,000 under revenue, as compared with the Revised Estimate, is due to non-recurrence of the special assignments of Imperial revenue mentioned in paragraph 13, partly counterbalanced by some expected recovery under the Land Revenue head following the depression of the current year. The further curtailment of expenditure amounts to about £400,000, this being effected by retrenchment in public works outlay. With the further prolongation of the war, economy in every direction is imperative, and the Local Governments, as I have already said, have co-operated most cordially and effectively in this policy.

30. It will, however, be seen from the following statement, which brings together the Provincial outlay under the heads Education, Medical and Civil Works for the last few years, that the retrenchments which have been made under Education and Medical are not in any way of a sweeping character. The Medical head of course includes sanitation outlay.

[In thousands of pounds.]

Year.	Education.	Medical.	Civil Works.
1911-12	1,963	1,088	4,619
1912-13	2,490	1,142	4,936
1913-14	3,056	1,199	5,950
1914-15	3,182	1,362	6,128
1915-16 (Budget).	3,270	1,299	4,892
1915-16 (Revised).	3,064	1,351	4,586
1916-17 (Budget).	3,137	1,318	3,945

It will thus be observed that the Education and Medical expenditure is still on a somewhat higher level than in the pre-war year, 1913-14, and, as regards Education, much above the outlay in the years 1911-13. There has been a very considerable

retrenchment under Civil Works as is only natural, since this head works as a regulator of Provincial finance, enabling expansion of expenditure when times are good and reduction when they are bad.

General Results—Imperial and Provincial.

31. Reverting to the table in paragraph 23, we estimate that, on the present basis of taxation, the total revenue, Imperial and Provincial, for 1916-17 will be £82·5 million and the total expenditure £85·5 million, resulting in an Imperial deficit of about £2·6 million, and a Provincial deficit of about £400,000. The latter, as I have said, will be met by drawing on the balances at the credit of Local Governments. We have now to consider how the Imperial deficit is to be faced.

Additional taxation proposals.

32. In dealing with the Budget for the current year we determined, with the approval of the Secretary of State, not to impose any additional taxation with reference to the large deficit then anticipated for 1915-16 and that of 1914-15. Though assuming continuance of the war during 1915-16, we were not at that time warranted in anticipating its long duration thereafter, and we therefore found our requirements for the time being by temporary and exceptional measures. We renewed temporary borrowings to the extent of £7 million which we had made from the Gold Standard Reserve in 1914-15, and the Secretary of State did the same in regard to short-term India bills to a like amount which he had raised in London. It was also proposed that the Secretary of State should raise about £6½ million by fresh borrowing at home while we were to issue a rupee loan of £3 million in this country. Even so, however, we had to reduce our programme of Railway and other capital expenditure from about £14 million, the sum taken in the Budget for 1914-15, to £9·4 million. Circumstances are now altogether different. We must assume that the war will continue for yet another year, and, it may be, longer. The Secretary of State has been unable, owing to the financial situation at home, to raise the full amount of the fresh borrowing in London contemplated for this year, and it has become our evident duty to provide for our own requirements without outside assistance, while the supplying capacity of the Indian money market is limited. We have also to recollect that the termination of the war, when it comes, will leave us with heavy financial demands upon us. We shall still, in all probability, have a large amount of temporary debt to pay off, and must also prepare for the liquidation of the rupee loan raised this year, which has to be repaid by 1923. We shall likewise have to surrender nearly £2 million which we shall have received in connection with the liquidation of hostile firms and the employment of captured enemy vessels and are using temporarily to meet our own requirements. On the revenue side, again, we must recognise that the experiences and lessons of the war must also add in some directions to our permanent military charges; and, lastly, it is desirable that we should be in a position, when peace returns, or as soon after as may be, to provide further funds for such beneficent purposes as the improvement of education and sanitation.

In paragraph 54 of my speech introducing the Financial Statement for 1915-16, I said that the Government would not hesitate to resort to increased taxation to meet a deficiency in revenue which promised to be of a more or less abiding character. That contingency has now to be faced. The war continues, and we cannot go on, year after year, with uncovered deficits. We consider it essential in the present uncertain outlook to increase our revenue resources in order to make good the anticipated Imperial deficit of the coming year and also to supply a substantial surplus. I now proceed to indicate the methods by which, with the approval of His Majesty's Government, we propose to effect this.

33. In the first place we propose to raise a sum of about £2·1 million by new and enhanced customs duties in the manner which I now proceed to explain :—

Our general import tariff has been at the rate of 5 per cent *ad valorem* since 1894. We now propose, save in the case of sugar, to raise it to 7½ per cent *ad valorem*, and we hope thereby to get an increase of revenue of about £420,000, excluding the duty on metals which I deal with later. In this, as in other cases, I have, in calculating enhanced receipts, made allowance for decrease in consumption following the higher rates.

In the case of sugar, in view of the large imports of this article and India's facilities for internal supply, we consider that we shall not be inflicting any real hardship on the consumer by fixing the import duty at 10 per cent, by which we hope to raise an extra £400,000.

34. Next we propose a material curtailment of the free list. The present list is based partly on the existing tariff law and partly on executive concessions, with the result that revenue is being unnecessarily surrendered, and the increasing range of exemption encourages applications for still further concessions. We propose hereafter to confine the statutory free list to the following items :—

First.—Gold coin and bullion; and current Indian silver, nickel, bronze and copper coin.

Second.—Certain essential materials—raw hides and skins, raw cotton, raw wool and paper-making materials.

Third.—Certain agricultural requisites—machines and implements for husbandry, dairy appliances, and manures, including certain chemical manures.

Fourth.—Certain articles, the exemption of which follows logically from our practice of levying an excise on cotton goods and beer, namely, cotton yarns and cotton thread, cotton spinning and weaving machinery, certain stores and articles used in the manufacture of cotton goods, and hops.

Fifth.—A few specific articles, the exemption of which is either (*a*) supported by the practice of most countries—animals, works of art devoted to public purposes, books, natural science specimens, uniforms of public servants and military officers, and arms forming part of their equipment; or (*b*) justified by their special importance in Indian conditions—quinine and anti-plague serum.

We have further included in the statutory free list the conditional exemption hitherto granted by executive instructions to salt imported for manufacturing purposes; and also the exemptions in favour of oil-seeds imported by sea from a Native State, and in regard to the professional equipment imported by passengers, trade catalogues and circulars imported by post, and second-hand gunny bags.

35. The following articles now on the free list will hereafter pay duty at 2½ per cent *ad valorem*, which will still leave them 5 per cent below the general tariff rate :—

Grain and pulse; tea chests and lead sheets used in their manufacture, and tea racks; firewood; printing and lithographing material; machinery other than the cotton spinning and weaving machinery above indicated; railway material, including telegraphic apparatus imported for railways; and ships. Coal, coke and fuel will be taxed at a quantitative rate of 8 annas per ton, which is roughly equivalent to 2½ per cent *ad valorem*.

While taxing grain and pulse at 2½ per cent in ordinary circumstances, the Government will be prepared, when necessary, to consider the question of exempting them by executive order in famine years.

Railway material imported by railways worked by the State is, and will remain, free under section 20 of the Sea Customs Act, as Government stores. Railway material for other railways, including those owned by the State but leased to Companies, will be taxed at 2½ per cent. The taxation of this latter class of railway material follows logically on the proposed equivalent taxation of machinery and ships, these three groups of imports having always been equally treated.

36. The remaining articles now on the free list, which have got on to it more or less accidentally, and in regard to which there is no reason either for complete exemption or specially favourable terms, will be taxed at 7½ per cent under the general tariff rate. These are fresh fruits and vegetables, fish maws, bamboos, bristles and fibres, horn, raw jute, oil cakes, plants, precious stones and pearls, gum olibanum, motor cars for goods, and earth, common clay and sand.

37. The above modifications of the existing free list are estimated to give us £160,000.

38. The duty on iron and steel, which is now one per cent *ad valorem*, will be raised to 2½ per cent; and that on other metals, which is now 5 per cent, will go up to 7½ per cent, following the increase in the general rate on imports. These increases will yield about £80,000.

39. I now come to articles which are subject to special rates of duty under the existing tariff. We propose, as I shall explain directly, to enhance the existing rates

in the case of arms, liquors, tobacco and silver manufactures. I shall then briefly refer to some articles on which we propose to leave the existing tariff rates untouched, and finally pass on to two important additions to our list of dutiable exports.

40. As regards arms and ammunition, the effect of the present tariff is, generally speaking, that these are ultimately taxed at a rate of 10 per cent *ad valorem*. We propose to double this, the additional revenue expected being some £20,000.

41. The taxation of liquors involves considerable complications, so I will deal with the matter class by class—

(1) The duty on ale, beer, porter and cider is now 3 annas per gallon against 8*d*. per gallon in England. We propose to raise this to 4½ annas, and, in accordance with the usual practice, to make a similar increase in the excise duty on locally manufactured beer.

(2) The rates on spirits will be recast as follows, and the rate now prescribed for potable spirit will, again in accordance with previous practice, apply to spirit of the same description manufactured in India and technically known as "foreign spirit."

(*a*) Perfumed spirit, per liquid gallon R18-12.

(*b*) Liqueurs, cordials, mixtures and other preparations containing spirit—(1) if entered in such a manner as to indicate that the strength is not to be tested, R14-10 per liquid gallon; (2) if tested, R11-4 per proof gallon.

(*c*) Spirit which has been rendered effectually and permanently unfit for human consumption, 7½ per cent *ad valorem*.

(*d*) Spirit, other sorts, per proof gallon R11-4.

(3) In explanation of these proposals I may observe that :—

(*a*) The rate on potable spirit, which is of course much the most important item, is to be raised from R9-6 to R11-4 per proof gallon so as to bring the Indian rate of duty to the level of the English rate, which is approximately 15 shillings per proof gallon.

(*b*) The preferential rate of R7-13 per proof gallon which was accorded by the tariff of 1910 to spirit contained in drugs, medicines or chemicals is now to be withdrawn. This preferential rate evoked protests from manufacturing chemists in India, who had to pay for imported spirit required by them for the local manufacture of drugs at the rate applicable to potable spirit, and were therefore placed at a disadvantage compared with manufacturing chemists outside India. To remove this disability administrative arrangements have been in force since 1910 under which Indian manufacturing chemists have been able to obtain spirit at the rate of R7-13 per proof gallon. We propose to adjust these difficulties, and at the same time to obtain a larger revenue, by taxing the spirit now in question at the same rate as potable spirit.

(*c*) Similarly, administrative difficulties have arisen in connection with the treatment prescribed in 1910 for the assessment of liqueurs, cordials and perfumed spirit and toilet preparations. The proposals now put forward follow closely the procedure adopted in England in the treatment of these spirituous preparations. A higher liquid gallon rate, *viz.*, R18-12, corresponding to the English rate of £1-5, is proposed for perfumed spirit; and a somewhat lower liquid gallon rate is proposed for all spirit not tested, other than perfumed spirit. The present position is that perfumed spirit pays R13 per liquid gallon, while liqueurs, etc., pay at the same rate, and without any statutory option of test with reference to proof strength, an omission which weighs unduly on the weaker liqueurs.

(4) The duty on champagne and sparkling wines now stands at R3-12 per gallon, which it is proposed to raise to R4-6, while the duty on still wines will be increased from R1-8 to R1-12 per gallon. The imports of these articles are on the decline, and it is thought that a higher rate would not be fiscally productive. The increase we are now making is, moreover, proportionately nearly the same as that which we propose under spirits.

(5) We estimate that we shall get about £130,000 from the above proposals, inclusive of £20,000 from the excise on beer and spirits.

42. The present rates of duty on tobacco, cigars and cigarettes are as follows :—

	R	A.	P.	
On unmanufactured tobacco	1	0	0	per lb.
On cigars	1	10	0	„
On cigarettes weighing 3 lbs. or more per 1,000 . .	1	4	0	„
On cigarettes of less weight	5	2	0	per 1,000.
On manufactured tobacco, other sorts	1	2	0	per lb.

43. (1) We leave the rate on unmanufactured tobacco unaltered, as the present duty is approximately 100 per cent *ad valorem*.

(2) The quantitative rate on cigars and cigarettes is to be replaced by an *ad valorem* rate of 50 per cent. In the case of cigars this rate may be taken as equivalent to an increase of about 30 per cent on the present quantitative rate. As regards cigarettes, the aggregate duty collections now represent approximately 30 per cent of value; but the present quantitative rate presses heavily on the very cheap brands, invoiced at R6-14 a thousand, which form the bulk of the imports. The duty represents, in their case, 45 per cent of value, while in the case of a large number of the better brands of cigarettes, particularly those imported from Egypt, the proportion of duty to value is considerably less, running between 9 and 35 per cent. A certain amount of inconvenience and loss is also caused to importers by the necessity of weighing the cigarettes to ascertain the duty leviable at the quantitative rates. The substitution of an *ad valorem* rate will thus have the double effect of drawing some additional revenue from the better class of cigarettes without adding materially to the burden on the cheaper class, and of removing the practical difficulties in applying the present quantitative rates.

(3) We propose to raise the rate on manufactured tobacco, other sorts, from R1-2 to R1-8 per lb., which will be roughly proportionate to the increase of duty in the case of cigars.

(4) We hope to get about £30,000 from these changes in connection with tobacco.

44. We do not propose any increase in the duty of 4 annas an ounce imposed on imported silver in 1910, which represents an *ad valorem* rate of some 15 or 16 per cent. In the case of silver manufactures, however, which at present come under the general tariff, we propose to make a change, to remove a disability under which Indian silversmiths labour. They have now to pay duty at 4 annas per ounce for the silver required for the manufacture of their goods, while silverware and silver thread imported into India only pay duty at the general rate. We now propose that where the importer can give the Collector of Customs proof as to the silver contents of an article made or partly made of silver, the duty on such silver contents shall be at the rate applicable to silver, namely 4 annas per ounce, the residual value of the article being taxed at 7½ per cent. Where, however, no such proof is forthcoming, the whole duty will be at 15 per cent *ad valorem*. Executive instructions will, however, issue exempting from this special tax articles which only contain an inconsiderable proportion of silver.

45. We are not modifying the duty of 1½ annas a gallon imposed on imported petroleum in 1910, which is equivalent to some 20 per cent *ad valorem*. We also leave the export duty on rice unaltered. I shall refer presently to the case of salt.

46. The only other important item in the existing tariff on which I have not yet touched is cotton manufactures. For the last 20 years the position has been that cotton twists and yarns of all kinds are free of duty, while a duty at the rate of 3½ per cent is imposed on woven goods of all kinds, whether imported or manufactured in Indian mills. We propose to leave the position here as it stands.

The Council will naturally ask why, at a time when fiscal necessities compel us to make a material enhancement of the tariff in nearly every other direction, we should leave cotton alone. Well, the Government of India have not failed to represent their view that there should be a material increase in the cotton import duties, while the cotton excise, which has formed the subject of such widespread criticism in this country, should be left unenhanced, subject to the possibility of its being altogether abolished when financial circumstances are more favourable. But His Majesty's Government, who have to consider the position from a wider standpoint, felt that the

raising of this question at the present time would be most unfortunate, as it would provoke a revival of old controversies at a time when they specially desired to avoid all contentious questions both here and in England, and might prejudice the ultimate settlement of the larger issues raised by the war. His Majesty's Government feel that the fiscal relationship of all parts of the Empire as between one another and the rest of the world must be reconsidered after the war, and they desire to leave the question raised by the cotton duties to be considered then, in connection with the general fiscal policy which may be thought best for the Empire, and the share, military and financial, that has been taken by India in the present struggle. His Majesty's Government are aware of the great interest taken in this question in India and of the impossibility of avoiding some reference to it when new taxation has to be raised, but they are confident that their decision is in the best interests of India and that premature discussion of this particular issue could only be harmful. We fully realise the force of these arguments at the present juncture, and consequently we are reluctantly compelled not to propose any modification in respect of the cotton duties.

47. Our final proposal connected with the tariff is the imposition of an export duty on two important staples, namely, tea and jute. Both these industries have been specially prosperous during the war, and in the case of jute I think there is already a considerable consensus of opinion that if the financial situation created by the war should necessitate heavy additional taxation, this is one of the first articles which might legitimately be taxed. The case of tea is hardly less strong, especially in view of the fact that, in spite of its largely industrial character, the tea business has for 30 years been exempted from income tax.

I may add that in the case of tea, we have a precedent for special taxation in the recent action of the Ceylon Government, which, after the war broke out, imposed an export duty of R1½ per 100 lbs. We propose to follow this example and adopt the same rate, a measure which is estimated to produce some £300,000 of revenue in the coming year. Our proposals contemplate, however, the exemption of forward contracts entered into before the present date. We also propose to exempt tea waste.

48. Jute is an article which can well bear a special rate of export duty, not only because of the present prosperity of the trade, but in view of the monopoly which India has in this product. The only existing special taxation on jute is a small cess levied in Calcutta and Chittagong, the proceeds of which go to the Improvement Trust in the case of Calcutta, and the local Port Trust in the case of Chittagong. It was accepted, however, when these cesses were imposed, that they were not to prejudice any future claim of Government to tax jute for our Imperial purposes.

Our present proposal is to tax both the raw and the manufactured article. In the case of raw jute we contemplate a general rate of R2-4 per bale of 400 lbs., which is approximately equivalent, at present prices, to an *ad valorem* duty of 5 per cent. There are, however, certain classes of jute, known technically as "cuttings" and "rejections", which are of much smaller value, and we therefore propose a special rate of 10 annas per bale on cuttings and R1-8 on rejections.

Manufactured jute falls under two main classes, known to the trade as sacking and hessians, respectively. We propose a duty of R10 per ton on sacking and R16 per ton on hessians—a rate which, in each case, corresponds approximately to the taxation, at 'raw jute' rates, of the material used in the production of the goods.

49. We propose, however, following the spirit of section 20 of the Sea Customs Act, to exempt from this duty manufactured jute which is exported under specific demand from His Majesty's Government, *i.e.*, in pursuance of War Office contracts.

Also, as in the case of tea, we propose to exempt forward contracts entered into before the present date, a concession which will appreciably diminish the revenue to be obtained from the new duty in the first year. We estimate this at about £580,000.

50. The tariff changes above indicated will apply to external trade by land, from which another £30,000 is expected, as well as to that by sea. In the aggregate, they are estimated, as I have already stated, to bring in a total increased revenue of about £2·1 million. I shall, during the present sitting, introduce a Bill embodying the legislation required, and I shall ask Your Excellency's permission to suspend the rules of business so as to admit of the immediate nomination of a Select Committee thereon and an instruction to them to report at a very early date. It will be readily

understood that it is most essential to get the fiscal changes which we propose passed into law as soon as possible, and with effect from the present date, since otherwise there would be large clearances of goods to avoid the higher duties.

51. The next source from which we propose to derive increased revenue is Salt. Between 1888 and 1902 salt was, generally speaking, taxed at R2½ per maund. Then a cycle of prosperity permitted a gradual reduction of the duty to R2 per maund in 1903, to R1½ in 1905, and to R1 in 1907, at which figure it now stands. The maund on which this duty is calculated is a little more than 82 lbs.; consequently, the existing rate amounts to only about one-fifth of an anna per lb.

Enhancement of the salt tax has always been looked on as a reserve to be utilised when war or other financial calamities should come upon us, and in making the reductions of the tax which I have noted above our predecessors had in view the increase thus afforded in the potentialities of this reserve. It is only natural, therefore, that in the present situation we should turn to an increase in the salt duty. On the other hand, it has to be remembered that the duty is largely paid by the poorer classes; and that the increases proposed in our customs tariff will to some extent fall upon poor consumers. In the interests of the poor, therefore, we propose to make only a very small increase in the salt tax, *i.e.*, to increase it from R1 to R1¼ per maund. This rate will still be less than that levied only nine years ago, and the taxation will now amount to about ¼ anna per lb. We estimate the extra revenue obtainable from this increase in 1916-17 at £600,000.

It may interest the Council in this connection to be informed that Italy, too, derives a considerable amount of revenue from salt. This was put down in the Italian budget for 1914-15 at the equivalent of £3·6 million, and the taxation has recently been raised so as to bring in another £800,000. Our salt revenue on the present basis of taxation is estimated at £3·4 million, and with the extra duty at £4 million. Italy, therefore, is raising rather more than we do from salt, and from a population which is about one-seventh of that of British India.

52. Here, too, it is necessary to apply the increase to imported and, generally speaking, to locally produced salt, with effect from the 1st March. The enhancement of salt duty will not require special legislation. It can be effected under the law by notification by the Governor General in Council.

Locally produced salt in Burma has hitherto been taxed at less than the general rate of duty, though the tendency has been gradually to work up to this. We shall consider later whether the present enhancement should not also involve a proportionate increase in the special Burma taxation.

53. I now come to Income Tax, in regard to which I may first note that this term now replaces the old designation 'Assessed Taxes' in Heads VIII and 10 of our Revenue accounts, since there is at present no other tax to reckon with under these heads. The first general income tax for British India was enacted in the year 1860, and it may be noted that all incomes above R500 a year paid 4 per cent, or about 8 pies in the rupee, and that profits on land were assessed, except in the case of cultivators of land whose rent value was less than R600 per annum. This Act had a short life, but it was succeeded by various other income tax and license tax enactments, ending with the present Income Tax Act of 1886.

54. The main features of this Act are as follows. It exempts—

(*a*) Incomes derived from land assessed to land revenue and from agriculture.

(*b*) Incomes derived from property solely employed for religious or public charitable purposes.

(*c*) Salaries of officers and soldiers employed in a military capacity, when these do not exceed R500 a month, or R6,000 a year.

(*d*) All incomes which would otherwise be taxable if these are less than R1,000 a year.

The last exemption originally stood at R500, but this limit was raised to R1,000 in 1903. With the exception of that change, the Act of 1886 has remained in force to this day.

The taxation arrangements which it authorises are as follows :—

Salaries and pensions are assessed at 4 pies in the rupee if between R1,000 and R1,999 per annum. If above that amount, they pay 5 pies in the rupee.

Other incomes, derived from sources outside profits of companies and interest on securities, if they are between ₹1,000 and ₹1,999, pay on a scale of fixed rates which varies from ₹20 to ₹42, and approximates roughly in its total effect to a 4 pie rate. Incomes of ₹2,000 or upwards similarly derived pay at the 5 pie rate.

Profits of companies are uniformly assessed at 5 pies in the rupee. The same rate is levied upon interest on securities; but here the holder may get an exemption or a rebate at the 4 pie rate, as the case may be, if he can prove that his income from all sources is less than ₹1,000, or falls between ₹1,000 and ₹1,999.

55. Speaking generally, therefore, our normal income tax rate is 5 pies in the rupee, which is about equivalent to 6*d.* in the pound, and it may be noted that, when the Act was introduced, the English income-tax stood at 8*d.* in the pound.

Since then, as is well known, very great changes have been made in the English income tax: the principle of graduation has been introduced, the rates have been very much raised, and since 1910 there has been a super-tax which is now levied on incomes above £3,000. In 1914, just before the war—the super-tax apart—the rates of income tax ranged from 9*d.* to 1*s.* 3*d.* in the pound. These were doubled after the war, and in 1915 there was a further increase of 40 per cent on the previously doubled rate, while the limit of exemption was reduced and the scale of previous abatements cut down. The English income tax, apart again from the super-tax, may, therefore, now be said to run from 2*s.* 1*d.* to 3*s.* 6*d.* in the pound. The contrast afforded by India is thus very marked.

Now it is not necessary, or desirable, to propose any such heroic measures as those which have been forced upon Chancellors of the Exchequer in England; but our income-tax here is undoubtedly very low, and there will be general agreement, I think, that, at a time when it has become necessary to increase taxation materially, and to hit the poor in some measure by the raising of the salt tax, more money should be exacted from the incomes of the relatively well-to-do.

56. Our proposals for obtaining more money from the income-tax are as follows:—

(*a*) We propose to leave all existing exemptions untouched, and also to make no alteration in the taxation of persons whose incomes, official or private, are less than ₹5,000 per annum.

(*b*) In the case of incomes under Parts I and IV of Schedule II of the Act, *i.e.*, salaries and pensions, and incomes from the "other sources" mentioned above, which exceed the last-mentioned sum, we propose to enhance the tax in the following way:—

(1) Incomes from ₹5,000 to ₹9,999 will pay 6 pies in the rupee, or 7½*d.* per pound,

(2) Incomes from ₹10,000 to ₹24,999 will pay 9 pies in the rupee, or 11¼*d.* in the pound.

(3) Incomes of ₹25,000 and upwards will pay 1 anna in the rupee, which is equivalent to 1*s.* 3*d.* in the pound.

(*c*) Profits of companies will be assessed at the 1 anna rate; but this will be subject to abatement, or exemption, to individual shareholders who can show that their total income is such as to warrant a lower rate of taxation or none at all. Thus a shareholder whose income is less than ₹1,000 per annum from all sources would obtain a refund of the entire tax previously recovered on his dividends; a man whose total income is ₹5,000 would obtain a refund of the amount recovered in excess of the 6 pie rate; and so on.

We also propose, following what we are advised to be the correct construction of the law as it stands at present, as well as the actual practice in some provinces, to exempt altogether (as would be the case if it were a matter of an individual) the profits of companies which amount to less than ₹1,000.

(*d*) Interest on securities will be taxed similarly, *i.e.*, the initial rate will be 1 anna, but the holders can obtain refunds of the whole or of part of the sum recovered with reference to their actual income of all kinds.

57. The total number of income tax assessees in 1914-15, counting companies as persons, was about 332,000. Of these about 216,000 were assessed on incomes between ₹1,000 and ₹1,999, and 79,000 between ₹2,000 and ₹4,999. Consequently, no less than 295,000 of the present assessees will be unaffected by the new rates of taxation

we propose, which will fall on the 37,000 who are relatively well-to-do. Of these, again, about 24,000, on incomes between R5,000 and R9,999, will only have their tax increased by 1 pie on the rupee.

58. We expect in all to get £900,000 from this increased taxation. Here again I shall introduce a Bill to-day making the required amendments in Act II of 1886. But in this case it will not be necessary, as in regard to salt and customs, to make the new taxation applicable before the 1st April 1916. Arrears of income tax not paid by that date, but recovered subsequently, will be assessed at the old rates. The new rates will apply to all income the tax on which has not actually become due till the 1st April.

I may add that we propose to restrict the amendments of the Income Tax Act to those which are necessary to carry out the new scheme of taxation I have outlined. There are other matters, no doubt, in respect of which the existing Act might suitably be amended or made clearer, but these can wait till a season of greater leisure.

59. Lastly, I may explain that under the terms of the existing financial settlements with the provinces, income tax is a divided head, and the additional revenue accruing from our proposals will thus be shared between Imperial and Provincial. But as this additional taxation is imposed solely for Imperial purposes, the amount which technically accrues to the provinces will be set-off by a counter-adjustment from Provincial to Imperial under the head 'Transfers between Imperial and Provincial Revenues.' The same procedure was followed in 1910 in respect of the additional taxation then imposed under 'Stamps' and 'Excise.' A like adjustment will also be made on this occasion in respect of that portion of the additional duty on locally produced beer and 'foreign spirit' which will be credited to Provincial revenues under the terms of the settlements.

60. I now sum up the financial effect of the proposals above explained. We intend to get an additional revenue of—

(*a*) £2,150,000 from Customs and consequential changes in the excise duties on liquors.

(*b*) £600,000 by an enhancement of the duty on Salt.

(*c*) £900,000 by an increase under Income Tax.

Or in all a little over £3·6 million as against an estimated Imperial deficit of £2·6 million. This leaves us with a surplus of £1,052,000 which, though somewhat less than we have aimed at in the years just preceding the war, will supply a useful and much needed source of strength against the contingencies which face us in the future.

The imposition of a portion of our proposed taxation from 1st March (*vide* paragraph 58) will also yield about £110,000 in the current year, thus diminishing (as I have already noted) the Imperial deficit for 1915-16 indicated in paragraph 17 to about £2 million.

61. Consequently the statement given in paragraph 23 must be taken as superseded by the revised statement below, which shows our revenue and expenditure position for 1915-16 and 1916-17 as determined by the taxation measures above expounded.

[In millions of pounds.]

	Revised, 1915-16.			Budget, 1916-17.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . . .	**51·982**	30·638	82·620	**55·651**	30·548	86·199
Expenditure . . .	**53·968**	31·296	85·264	**54·599**	30·913	85·512
Surplus + or deficit — .	**—1·986**	—·658	—2·644	**+1·052**	—·365	+·687

Rupee borrowing.

62. Before I pass on to the general ways and means arrangements for the coming year, it will be desirable to make a few remarks on the subject of our rupee borrowing.

In paragraph 56 of my speech introducing the last Financial Statement I announced our intention of raising a loan of £3 million (4½ crores) in India in the current year, the time and the best method of borrowing being reserved for later consideration.

The internal conditions in India were generally favourable at the period of the year when we usually take into consideration the question of issuing a new loan. Trade was slack and money easy ; the balances of the Presidency Banks stood at a high level; and though there was little demand for rupee securities and the market was extremely sensitive, the floating supplies of paper were reported to be small and its price had been comparatively steady. The situation was, however, entirely changed by the announcement, on the 21st June last, of the flotation of a British war loan for an unlimited amount carrying interest at 4½ per cent, with valuable privileges to subscribers in respect to the conversion of holdings in the previous 3½ per cent war loan, consols and annuities, into stock of the new war loan. This produced an immediate drop in the price of our 3½ per cent paper, and it became clear that more favourable terms than we had previously contemplated would have to be offered if a loan of the amount announced in the Budget were to be successfully floated, while the increasing difficulties in raising further loans in London on behalf of India rendered it impossible to reduce the Indian borrowing.

The line of action to be followed in these conditions formed the subject of anxious deliberation on our part and, after discussion of the question at an informal conference which I held with the representatives of the three Presidency Banks, it was decided to fix the rate of interest at 4 per cent and to offer at par a short-term issue which would be redeemed after eight years in any case, while the Government reserved the right of redeeming it at any time after five. Political and financial circumstances rendered it most undesirable to take any risk of the loan proving a failure, and accordingly it was arranged that the Presidency Banks should underwrite the entire loan, and should in any case subscribe for a minimum sum of R1½ crores, in return for a commission of 1 per cent on the amount of the loan. The loan as thus settled was notified on the 28th July last and subscriptions were invited between the 2nd and 17th August, these being receivable at the head offices of the Presidency Banks and their branches, and at all places at which we have account offices, instead of as formerly at the presidency towns only. Considering the moderate amount of interest offered and the conditions prevalent, the loan was wholly successful, being oversubscribed by more than two crores.

63. We also initiated an important new departure in the direction of trying to bring the Goverment into more direct touch with small investors by issuing a supplementary section of the loan to be subscribed for through Post Offices. The loan proper was to be subscribed by the 17th August, but the Post Office section, into which subscriptions of any amount (in even hundreds of rupees) from R100 to R5,000 were receivable, remained open till the end of October, and all the amounts tendered through it were taken in full. Special arrangements were made for wide publication of the terms on which applications would be received through the Post Office, by notices and brief posters exhibited in post offices, treasuries, and district offices, and by advertisements inserted in newspapers, English and vernacular.

The total amount thus realised was about R50 lakhs, or £333,000, and of this amount only about 18 lakhs represented withdrawals from existing savings banks accounts (which so far gave us the advantage, in present circumstances, of transfer of liability from a call account to one which we need not liquidate for some years), while the remaining 32 lakhs was new money lodged with Government. Of the total, 21 lakhs was obtained from Europeans, 26 lakhs from Indians, and 3 lakhs from banks and public bodies. R6 lakhs represented individual applications not exceeding R500, while out of a total of some 4,250 applications, over 500 were for the minimum amount possible, *viz.*, R100. It is also interesting to note that in all nearly three lakhs of rupees, representing some 300 applications, came from Indian ladies. As further evidence of the extent to which this section of the loan tapped sources which would otherwise not have been available, it may

be mentioned that about 40 per cent of the total was applied for through sub and branch post offices in the mofussil.

The total amount obtained may seem small, but I would remind the Council that 50 lakhs is a quarter of the total rupee loan issued so recently as 1911-12, and one-third of that which was issued in 1910-11. Considering the novelty of the experiment, the troubled times, and the innate conservatism of the bulk of the Indian people, I hold that this Post Office loan operation has been a marked success, and has justified us in making the procedure a permanent one. We shall also consider, in respect of future issues, the desirability of further simplifying methods so as to avoid some local difficulties and misapprehensions which this year's experiment brought to notice.

64. I now come to our borrowing programme for the next year. That must take place entirely in this country, since, as I have already indicated, we cannot, in the interests of the Empire, set foot on the borrowing market at home. The position of 3½ per cent paper is also a very relevant factor in this connection. I referred last year with legitimate satisfaction to the strength of that paper, but since then it has fallen greatly. At the beginning of the present financial year its selling price was ₹92½. In December and January, however, it fell rapidly to the neighbourhood of ₹80; and in spite of some recovery subsequently, it has recently stood about eight points below the opening price of the year. That is, of course, a very serious matter for the holders of Government paper, and various suggestions have been made, in the press and otherwise, that we should assist them by the conversion of the whole of our 3½ per cent debt, which at present stands at about £92 million, into a 4 per cent security. This would involve a very considerable burden to the general taxpayer, which I am certainly not prepared to impose upon him. Nor can I admit that the Government can be held responsible for such unforeseen falls in securities, Government or other, as have taken place by reason of the war and the higher rates of interest which it has brought about. On the other hand, the Government cannot look with indifference on a large depreciation of the price of the premier security of India, or ignore the grave difficulties which such depreciation, if unremedied, will place in the way of their own future borrowings, especially in the coming year.

65. Consequently, after very careful deliberation, and with the approval of the Secretary of State, we have decided to do something for the holders of our existing Government paper which will be in our own, that is in the public, interests as well as theirs. In view of our ways and means requirements, and to strengthen our position generally, we consider that we should raise not less than £4 million in India next year, outside the amount which we may get from the Post Office section of our loan. To facilitate this we propose that subscriptions to our new loan should carry with them the privilege of converting an equivalent amount of 3½ per cent paper on favourable terms, by which I mean terms that will be better than the arithmetical result of a comparison between 3½ per cent interest and the higher rate which we shall have to pay for the new loan: *e.g.*, if our new loan is issued at 4 per cent, the conversion rate for 3½ per cent paper will be higher than ₹87½. This privilege will also cover the conversion of our remaining 3 per cent paper on terms proportionally equivalent to those fixed in respect of the 3½ per cents. Thus a subscriber of say one lakh of rupees to the new loan will thereby obtain the right, which we shall allow him to transfer, to obtain another lakh by the conversion, on such terms as may be decided on, of 3½ per cent or 3 per cent paper.

66. Further, we propose that this offer of limited conversion in 1916, conditional on subscription to a new loan, shall be repeated in 1917 and 1918 if we borrow in those years at a higher rate than 3½ per cent. Thus supposing the 1917 loan to be of that character, a subscriber thereto, or a purchaser of conversion rights attached to the loan, will be able to convert 3½ per cent paper into debt of that year's issue, whatever its terms may be. I must explain, however, that the conversion rates will be fixed on each occasion with reference to the circumstances of the time and the character of each new loan, and I can hold out no hope that they will under any circumstances be more favourable hereafter—indeed they may quite possibly be less so—than the terms we shall offer in 1916, when money conditions are specially stringent. I may explain also that conversion facilities will not be attached to any short-term borrowing, such as the loan we raised last year with a currency of 5 to 8 years only; and generally that the Government of India reserve full discretion as to the terms to be offered for future loans, and also as regards the conversion rights associated therewith.

67. We believe that these measures will confer a substantial degree of protection on the holders of our existing paper, and will be found well adapted to the particular conditions which this problem presents to us in India. The requirements of the Government of India are not such as to call for a vast scheme of unlimited conversion in a single year as was the case at home. The Indian markets could not find the money; and if they did find it, we could not employ it ourselves in India, or remit it to England without wrecking exchange. We feel too that in view of the comparative narrowness of the Indian money market in ordinary times, and the special stringency which exists at present, we should—if we confined the opportunity of conversion to a single year's issue—deprive many holders of our paper of an effective chance of participating. On the other hand, we are not prepared to admit that the conditions call for the eventual extinction of the whole mass of our 3½ per cent paper, and could not wisely saddle ourselves with the grave liabilities incidental to a conversion scheme extending over a considerable number of years. In the conditions of the present year our next issue must be a repayable loan, and though we in no way pledge ourselves to confine our flotations in the conversion period to repayable debt, we may of course find it necessary to do so. Now, the association of conversion rights with a repayable loan doubles the amount which has to be repaid in the future. It will be readily understood that this is a very serious element in the problem; and when the time for repayment came, we might be seriously hampered as regards our productive capital expenditure and our finances generally if the amount of debt falling due for discharge were of excessive amount. These reasons have weighed with us in limiting the conversion period to three years. We have also had to bear in mind that one main justification for a conversion scheme is the inducement which it offers to the public to subscribe to the loans issued at a time of difficulty and crisis, and we cannot afford to have this inducement weakened by an undue prolongation of the opportunities for conversion.

68. It would be premature as yet to decide what the exact terms of the 1916 loan shall be in respect of interest and currency, though I may say now that the loan will on this occasion be repayable at the end of some specific, though probably somewhat distant, date. Nor can I yet state the conversion rate which will be offered for 3½ per cent and 3 per cent paper. These are matters which will still require very careful consideration; but I may say at once that the effective amount of our new loan, that is excluding the new debt created by conversion of previous issues, will, as I have already indicated, be not less than £4 million outside the Post Office section (to which, I may observe, the same conversion facilities will apply) and that we shall be prepared to accept subscriptions up to £8 million. We are willing to take that large amount this year partly to make the remedy of conversion more immediate and efficacious, and partly to strengthen our financial position generally in view of the war. But we in no way contemplate, or pledge ourselves to, similarly large flotations in 1917 and 1918; and investors who stand aside from this year's issue in the expectation of being as readily able to obtain conversion rights in the two following years will run the risk of disappointment in that respect.

69. I may mention here that we have decided, with the approval of the Secretary of State, to introduce a new form of Government securities in the shape of bearer-bonds, to meet the convenience of persons in large business centres who wish to dispose of, or raise money upon, Government paper with greater ease and rapidity than are afforded by our existing promissory notes with the formalities attendant upon the transfer of these from one holder to another. We have no desire, however, to alter or abandon the present form of promissory note, which is much valued for purposes of safety by those who wish to hold Government paper permanently or for considerable periods. Accordingly the bearer-bond form will be purely optional and the fullest facilities will be given for the conversion of promissory notes of the existing form into bearer-bonds and *vice versa*. This reform will be introduced as soon as certain legal points which are under consideration have been settled, and when the best form of the new bearer-bond has been determined on.

Ways and Means Estimate for 1916-17.

70. Before setting out the figures in the manner adopted in paragraph 20 above, I would emphasise that they are very materially affected by the facts that, as I have already said, we cannot count on any home borrowing next year; that, on the contrary, we ought to give some little help to the Home

Government in maintaining a grip over the London money market by repaying a portion of the Secretary of State's outstanding India Bills; and that, in view of the limitations of the Indian money market, we must take a cautious view as to the immediate response to our offer of conversion facilities. Consequently, even though it is proposed to meet the Imperial deficit entirely by taxation, and convert it into a surplus, we have had to cut down the capital expenditure programme to the lowest possible limits, allowing only £3 million for Railways and £1·2 for Irrigation and Delhi.

The figures we have to deal with are then as follows:

Outlay.	£ million.	*Resources.*	£ million.
Provincial deficit . . .	0·4	From balances . . .	0·3
Capital Expenditure—		Imperial surplus . .	1·1
Railway	3·0	Rupee borrowing . .	4·3
Irrigation . . .	0·9	Unfunded debt . . .	0·3
Delhi	0·3	Famine insurance and miscellaneous items	0·2
Discharge of debt . . .	2·0	Special war receipts . .	0·4
	6·6		6·6

71. I have already explained the amount of the Provincial deficit and the Imperial surplus as arrived at by the new taxation, and now add the following elucidatory remarks in respect of other items.

Railway Programme.—As I have said, the financial position requires us to cut this down to a very low figure. We are advised, indeed, that it is very questionable whether a larger allotment could be profitably spent in view of the great difficulty, in present circumstances, in obtaining railway material from home and its extremely high cost. The present price of rails, for instance, landed in India, is nearly double the pre-war price, while the Tata Works, on which we could normally rely for local supplies, are now mainly occupied in the manufacture of steel for munitions. Our own railway workshops too are largely engaged in the same work.

The £3 million programme has been fixed so as to continue progress, but generally at a reduced rate, on works already in hand which could not without loss or great inconvenience be interrupted. Provision has also been made for the restoration of the hill section of the Assam-Bengal Railway, but only such new works are included—for example, water-supply schemes where the existing supply seems likely to fail—as could not with safety be postponed. The bulk of the expenditure proposed is consequently on open lines.

Irrigation.—Here too the financial position has to be taken into account, and prevents our doing more than repeat the revised estimate provision of £900,000.

Expenditure on Delhi.—This, as in the current year, is confined to what is absolutely necessary to keep things going without deterioration of material and disbanding of necessary establishments.

Discharge of debt.—We provide here £500,000 for the discharge of India bonds issued in connection with the purchase of the Indian Midland Railway, which fall due in the coming year. We also provide £1½ million for the discharge of some of the short-term sterling India Bills issued by the Secretary of State in 1914-15, a measure which, as I have indicated, will be a contribution on our part to the retention of the Home market for borrowings by His Majesty's Government in connection with the war. We shall also, incidentally, save a certain amount in interest charges. The temporary loans we raised in 1914-15, which still stood at £14 million at the commencement of the current year, will thus have been reduced to £9½ million, *i.e.*, to £4 million from the Gold Standard Reserve (*vide* paragraph 21) and £5½ million in sterling India Bills.

72. I have already said as much as I can at present in respect of the *rupee loan.* We take the amount of this for the purpose of the present calculations at £4·3 million, of which £300,000 is estimated as accruing from the Post Office section. But, as I have already indicated, we are prepared to accept subscriptions up to a further sum not exceeding £4 million. To the extent that we obtain these we shall employ them in paying off our remaining debt to the Gold Standard Reserve.

It is very necessary, in present conditions, to conserve the Indian money market for the requirements of Government to a greater extent than is normally necessary. We do not propose to go at all as far in this direction as His Majesty's Government have had to do at home, but we are fully justified in issuing instructions, as we have done, that local bodies shall, as far as possible, keep down their development expenditure which is financed from borrowing; and that all loan flotations by such bodies, as well as branch line companies' loans, shall be held absolutely in abeyance from the present date until our coming loan has been floated.

For *unfunded debt* we take a net incoming of £300,000 only, as we must be cautious in regard to the Post Office deposits, and we are for the present anticipating that there will be a reduction in these by direct withdrawals, or by transfer to the Post Office section of the loan, to the extent of £700,000 in the coming year.

Under *special war receipts* we assume a receipt of £400,000 from the continued employment of enemy vessels.

73. These and other transactions bring us to an estimated closing balance of £17·4 million on the 31st March 1917, exclusive of holdings for the Gold Standard Reserve temporarily included in the balances of the Home Treasury. This is about £1 million more than the normal minimum balance required in India and England together; but it will be readily understood that in present conditions, which in several directions expose our balances to exceptional strain, it is necessary to have some margin. This is the more desirable in that, as I have already said (paragraph 32), we shall eventually have to make good the large sums—of which we are making temporary use—that we are deriving from the employment of captured enemy vessels and the liquidation of hostile firms.

Remarks on certain special heads.

I now furnish some supplementary information in regard to certain special and important heads.

A.—Opium.

74. In paragraph 36 of my speech introducing the Financial Statement for 1914-15, I referred to the question of the disposal of the stocks of Indian opium which had accumulated in the China ports as the one problem of our past opium trade with China still remaining for solution. At the commencement of this year the amount of stocks still unsold was considerable and the rate at which they were passing into consumption was slow, while all the consuming provinces in China except three had been declared free of cultivation and were consequently closed to Indian opium in accordance with the terms of the Opium agreement of 1911. Arrangements had also been made in accordance with that agreement for the inspection, early last summer, of Kiangsu with the object of applying the closure to this province also. These arrangements were however cancelled at the request of the Chinese Government, on the ground that investigations had shown that certain districts were not free from poppy cultivation; and shortly afterwards it became known that an arrangement had been arrived at between the Chinese authorities and the opium merchants which would have the effect of removing restrictions which had previously hampered the latter's trade. This was followed by the announcement, a few months later, that the whole of the stocks lying in Hongkong and a portion of those remaining in Shanghai had been purchased by representatives of the Chinese Government. It may fairly be assumed that the small remaining balance of the stocks is not likely to cause any embarrassment to the Government of India, and so a further, and apparently final, stage has been reached in the connection of this country with China in the matter of the opium trade.

75. Shortly after the outbreak of war we found it desirable to raise—from Rl,200 to Rl,600 per chest—the upset price fixed in respect of the opium which is auctioned monthly for export to the non-China markets. During 1915 the full amount of the opium offered at this price was sold and, in view of the active conditions of the trade towards the close of the year, it was decided, as I have previously mentioned, to make a further enhancement of the upset price to Rl,800 with effect from January 1916. The price obtained at our auction sales rose at once on the announcement of this decision in September and has recently been above the new minimum.

76. I mentioned last year that we had arranged to sell direct to the Government of the Straits Settlements the amount of opium required by that Government for its opium monopoly. A similar arrangement has since been concluded with the Government of Hongkong, and the amount of opium which has been announced for auction is exclusive of the requirements of these two Governments.

77. Incidentally the war has led to an increased demand for medicinal preparations made from opium and, supplies from Turkey being interrupted, it has been arranged with the Secretary of State to test the suitability of Indian opium for this purpose by placing a quantity at the disposal of the London market. The permanent success of the experiment cannot, of course, be established till the return of peace conditions, but we have been able so far to sell 1,400 chests at a substantial profit and anticipate a larger sale in the coming year. It is a matter of satisfaction to us that in this way the production of Indian opium has relieved a want which must otherwise have been acutely felt.

B.—Military Services.

78. The table below shows the gross and net expenditure on Military Services for the coming year and the four years preceding :—

	Gross.					Net, *i.e.*, deducting receipts.
	Army.	Marine.	Military Works.	Special Defences.	Total.	All Military heads.
	£	£	£	£	£	£
1912-13	19,576,526	479,928	887,379	9,267	20,953,100	19,565,466
1913-14	19,789,239	512,845	947,297	16,384	21,265,765	19,896,113
1914-15	20,336,559	463,270	996,071	13,603	21,809,603	20,434,915
1915-16 (Budget)	19,973,700	650,400	744,300	21,100	21,389,500	20,169,200
1915-16 (Revised)	21,650,200	519,100	830,200	16,300	23,015,800	21,842,700
1916-17 (Budget)	21,579,100	707,600	858,300	20,900	23,165,900	22,000,000

79. The total net expenditure in 1915-16 is now expected to reach the figure of £21·8 million or about £1⅔ million more than the Budget. I have already referred (in paragraph 14) to the main causes contributing to this large excess and need only add the following supplementary remarks. The developments of military science have rendered it necessary to increase the efficiency of the army in India in various directions while the war proceeds, *e.g.*, by the provision of mechanical transport, at a cost of £78,000, and of an aviation squadron, at a cost of £74,000. The expenditure on Military Works is now estimated to exceed the Budget figure by £86,000, chiefly on account of urgent improvements to frontier roads, the provision of accommodation for the Indian sick and wounded returned from the front, and improvements to the Cordite factory and to the Ordnance factory at Ishapore. A fall in receipts of £47,000, which is chiefly due to war conditions, also contributes to the increase in net expenditure.

In certain respects the programme of expenditure has not been fulfilled; for instance, the Admiralty were unable to make progress with the construction of the Royal Indian Marine vessels referred to in my speech of last year, and this has involved a lapse of £149,000. On the other hand, the outlay on home stores for marine requirements is higher by £23,000. Other minor variations combine to account for the balance of the estimated excess.

80. For the year 1916-17 a sum of £22 million has been allotted as the net Military expenditure, again on the assumption, which governs all our calculations, that the war will continue throughout the next financial year.

In view of the general financial situation, only absolutely necessary and urgent measures are being provided for. The causes which affected Military expenditure during 1915-16 will remain for the most part operative in 1916-17. There will, it is true, be considerably less expenditure on sea transport charges, since the contribution during the current year included arrear payments on account of 1914-15. We also anticipate reduced expenditure on certain other measures connected with internal defence; and there will be a saving in connection with the mechanical transport

companies, due to the initial expenditure being met for the most part during the current year. On the other hand, we anticipate increased expenditure of £189,000 in connection with the vessels the construction of which at home had to be postponed during the current year, and on replacement of stores and coal, and a somewhat higher provision has to be made for measures in connection with military arrangements on the North-West frontier. Broadly speaking, however, the anticipated expenditure in 1916-17 would be a little lower than in 1915-16 but for the fact that, as I have already explained, we have thought it wise to provide a margin (of rather over half a million pounds) to meet unforeseen demands.

81. The Indian Army still continues to play a conspicuous part, side by side with representatives of every portion of the Empire, in the great war which the King-Emperor and his Allies are waging for the cause of liberty and right. Nor, as I indicated in my speech in the closing budget debate last March, is this the only respect in which India has borne her share of the Empire's burdens. She has rendered invaluable aid by recruiting and training large numbers of soldiers; by furnishing supplies of all sorts—foodstuffs, clothing, ordnance, equipment and munitions; by training and despatching horses; by lending to the Admiralty a great part of her Royal Indian Marine fleet; and by fitting out transports. The total value of the supplies and services of all sorts which she has thus undertaken on behalf of the War Office amounted, including some similar expenditure brought to account at home, to about £10 million in 1914-15 and is estimated at about £18 million in 1915-16 and £20¾ million in 1916-17. These figures include also the outlay in civil departments on the manufacture of munitions which is now in full progress. They do not, however, include the services, representing a recoverable outlay of £850,000 in 1915-16 and about £1 million in 1916-17, which we are able to render to the Australian Government.

82. I mentioned in paragraph 65 of my speech introducing the last Financial Statement the assistance given by the Indian princes in respect of their Imperial Service Corps and in special gifts towards the cost of the war. The latter now total about £900,000. Further, considerable sums have been placed at the disposal of the Commander-in-Chief to be spent in the purchase of horses, motor cars, motor ambulances, etc., or in any way which His Excellency may think advisable for the good of the army. It is of course impossible to mention all these individual gifts, which find no place in the Budget; but I would refer particularly to a recent personal gift of one lakh from His Excellency Maharaja Sir Chandra Shumshere Jung Bahadur Rana, Prime Minister and Marshal of Nepal, as well as of 2 lakhs from the Nepal Durbar, who also are bearing all the ordinary pay charges of a Nepalese contingent now serving in India.

83. The Council will readily understand that the task of deciding the many complex questions relating to the incidence of expenditure as between the Government of India and His Majesty's Government, and of devising a simple and efficient system of accounting, has been a most difficult one. It was found necessary, early in the current year, to create a special appointment of Central War Controller to deal with these matters, and Mr. B. N. Mitra, C.I.E., was appointed to the post. I gladly take this opportunity of acknowledging the conspicuous ability and untiring energy with which he has discharged his duties, and the appreciation they have met with at home as well as here.

C.—Famine Relief.

84. I have already mentioned that the faulty distribution of the monsoon has led to distress in certain areas. This, however, has fortunately, so far, been on a comparatively small scale. Some direct expenditure on relief in the tracts affected by floods in Assam and the United Provinces was necessary. Distress due to drought exists at present in the Bankura district of Bengal; in the Manbhum and Singhbhum districts of Bihar and Orissa; in Ajmer-Merwara, and in the Karauli State in Rajputana; whilst that in the Tipperah district of Bengal is due to floods. Test works have been opened in these tracts and gratuitous relief is also being distributed. The maximum number, so far, on test works in all the affected tracts has been 21,000 and on gratuitous relief 23,000. The Kolhan Government estate in Singhbhum, with an area of 1,200 square miles and a population of 80,000, is however the only area which passed beyond the stage of observation and test, scarcity having been formally declared in October last. Distress there, however, is practically over for the present, though some recrudescence is anticipated when

the harvesting of winter rice is finished. Assistance in the shape of agricultural loans has been necessary in these tracts, as well as in Assam; whilst owing to the scarcity of fodder in Ajmer-Merwara, Rajputana and the Punjab the usual concessions for the carriage of fodder at reduced rates have been introduced in large areas. Special railway concessions have also been granted in order to encourage the emigration of cattle from Ajmer-Merwara.

The actual expenditure incurred in relief is fortunately, however, on a very small scale. It may be taken at £93,000 in the current year, of which £40,000 is debited to the head 33—Famine Relief and mainly represents the cost of fodder concessions. The total outlay at present anticipated in the coming year is £73,000, of which £46,000 is intended for fodder concessions and outlay on direct relief and appears under the Famine Relief head.

85. In the current year we provided £500,000 out of the Famine Insurance Grant of £1 million for protective works. The Famine Relief outlay of £40,000 is a first charge on the remaining moiety, and £460,000 is left for the reduction or avoidance of debt, of which £295,000 comes under the Imperial and £165,000 under the Provincial section.

In the coming year we are slightly reducing the provision for protective works, which is taken at £433,000. Of the remainder, famine relief accounts for £46,000, while £424,000 under Imperial and £97,000 under Provincial are allotted to the reduction or avoidance of debt, the Provincial allotment in the coming year being somewhat reduced as one more of the provinces has now obtained its maximum famine credit. I may add that I have not forgotten the promise, to which I referred in paragraph 69 of my speech last year, to consider the possibility of improving the system of Provincial famine credits. We have not yet had a final reply from one of the provinces mainly interested, but we shall hope to put the matter before the Secretary of State in the course of the coming year.

D.—Expenditure from Special Grants, Educational, Medical, etc.

86. I give below a table similar to that exhibited in paragraphs 46 and 70 of my speech introducing the last two Financial Statements :—

[In thousands of pounds.]

	Total grants given (1911-12 to 1916-17).		Total expenditure incurred* (1911-12 to 1916-17).	Balance expected to be available on 1st April 1917.
	Recurring.	Non-recurring.	Non-recurring.	
(1) Education	763	3,253	2,213	1,040
(2) Sanitation	245	1,738	1,172	566
(3) Medical Relief, etc.	...	58	54	4
(4) Agriculture, etc.	...	177	169	8
(5) Grants for other special purposes	...	1,545	1,415	130
(6) Grants for general purposes (Discretionary grants)	...	667	381	286
Total	1,008	7,438	5,404	2,034
Add—Savings on recurring grants during foregoing period (about)				697
Total amount expected to be available from special grants on the 1st April 1917				2,731

*Non-recurring figures only are given as the recurring grants are treated as having been fully worked up to, any savings obtained from those grants in particular years being added at the foot of the statement.

In view of continued financial stringency, we have, naturally, had again to ask Local Governments to restrict their drawings on the portion of their balances which represents the unspent remainder of these special grants, and we have also had to limit outlay from the portion of previous recurring grants which have remained at our own disposal. Any short expenditure by the Government of India from these recurring grants in the current and coming years will, however, be made good when financial prosperity is restored.

E.—Financial position of the Provinces.

87. The financial history of the provinces in the current year, as I have already shown, has been one of severe restriction of expenditure, and this must inevitably be continued in the coming year also. The only important change in the financial arrangements with Local Governments which I have to mention now is the final decision on the question of improving the terms of the Burma provincial settlement, in connection with which I mentioned in paragraph 72 of my last year's speech that we had decided to increase the permanent resources of the Local Government to the extent of £100,000 a year. We had also under consideration at the time a further concession, which has since received the approval of the Secretary of State, namely, the guarantee to this province of a minimum aggregate of revenue advancing progressively every year. The annual increment of revenue thus assured to the province is £53,000, and the guarantee extends until 1923-24. It does not actually become operative until the conclusion of the war; but the total minimum guaranteed revenue on which the province will then begin will be fixed as if its revenues had started at the full amount anticipated in the calculations on which the provincial settlement of April 1911 was based, *plus* the additional £100,000 mentioned above, and had subsequently increased every year at the guaranteed rate. The arrangement is a new feature of our provincial settlement system, and one which we are not likely to extend, as it originates from two factors special to Burma, namely, *first*, the unusually fluctuating character of her revenues as a whole, and, *secondly*, the special necessity in her case, for making an assured provision for a steady scheme of development of communications. Such a scheme cannot be taken up and carried on in the absence of some assurance of a growth of minimum revenue sufficient to provide for an adequate working programme without constant set-backs when an indifferent year happens to succeed one of special prosperity. We ourselves believe fully in the elasticity of the Burma revenues; and we felt that, if this confidence in the future growth of provincial revenues could be turned into a certainty, so far as the Local Government is concerned, by the procedure proposed, a great difficulty in attacking this problem of road development could be met.

88. We have also during this year made good progress with the problem of attempting to define and enlarge the financial powers of Local Governments and of authorities subordinate to them on the one hand, and of the various Imperial authorities on the other. Our hope is to evolve a systematic and liberal scheme of delegation which will help to solve, with greater simplicity and generality than has hitherto been attempted, many questions of decentralisation which have been under consideration for a number of years past, as well as certain parallel questions of audit control to which, as Hon'ble Members are aware, much attention has recently been paid. In this Your Excellency has taken a special personal interest, and I should have been glad if it had been possible to make a more definite announcement on the subject on the present occasion. But the matter is one in which we cannot act alone, for no definite scheme can be introduced without the concurrence of the Secretary of State.

F.—Railways. (Capital Outlay.)

89. The following statement gives the figures of Railway capital expenditure on State-owned lines included within the Railway programme for the coming year and the four years preceding:—

—	1912-13.	1913-14.	1914-15.	1915-16, Revised.	1916-17, Budget.
	£	£	£	£	£
Open lines including rolling stock .	7,134,200	10,303,100	10,534,300	4,250,100	2,730,000
Lines under construction—					
(*a*) started in previous years . .	2,658,700	1,871,500	898,800	660,700	270,000
(*b*) started in current year . .	103,200	131,700	...	35,900	...
Total .	9,896,100	12,306,300	11,433,100	4,946,700	3,000,000

90. As I have already stated, the financial position has necessitated a large reduction in our Budget programme for 1915-16, and also requires us to cut down expenditure in the coming year to a very low figure. The greater part of the reduced outlay for 1916-17 will, as usual, be devoted to the improvement of open line equipment, including provision for the repair of damage done to the hill section of the Assam Bengal Railway by the abnormal floods of last July.

The difficulty of obtaining imported material without interference with more important work and at reasonable cost has limited the proposals for the purchase of new rolling stock to extremely modest dimensions, though, in order to provide work for the railway shops which build coaches and wagons, some material has to be bought from abroad. Works will absorb the greater part of the allotment, and what cannot be made in the country will be found from the stores already collected whenever possible.

91. The small amount which remains over for construction expenditure we propose to utilise in continuing, as far as possible, progress on lines already in hand which cannot well be interrupted without loss or considerable inconvenience. Very nearly half of it goes to the Burdwan-Howrah Chord which, as explained last year, may be regarded as a work of open line improvement designed to relieve the congestion of traffic on existing lines between Calcutta and the coal-fields. Work has here reached an advanced stage, and in order to render the outlay already incurred remunerative it is necessary to provide for its early completion.

Another work of this description is the overhead connection with the Victoria terminus in Bombay, the provision for which will enable moderate progress to be made. The only other important line requiring notice is the Itarsi-Nagpur, on which considerable progress has been made in the current year. The northern section from Itarsi to Parassia, a length of 134 miles, has already been opened to traffic, and it is expected that the southern section from Nagpur to Katol will be ready for opening within the next 3 or 4 months. We have provided a small sum for the completion of this section, but funds will not permit of work being proceeded with on the remaining section Katol to Amla. Circumstanced as we are it is out of the question to make provision from programme funds for any new line of railway.

92. It is all the more gratifying, therefore, to find that the activity of Branch Line companies has been in no way abated. Last year I informed the Council that the total mileage of railways sanctioned for construction by such companies was 234, and that several District Board projects were about to mature. Since then we have sanctioned the construction of four new lines, of a total length of 72 miles, to be financed by certain District Boards in Madras, and have also authorised the flotation of Branch Line companies for the construction of five new railways comprising a total mileage of 258. One of these, the Mymensingh-Bhairab Bazar Railway, is a project of importance which has been under consideration for years past; and the company undertaking its construction is the largest railway concern recently floated in India. These facts bear evidence to the popularity of the terms which we now offer to investors in such undertakings.

93. The following figures show the capital outlay on all State lines up to the end of each year from 1912-13 and the net return obtained, after deducting working expenses and interest charges:—

[In thousands of pounds.]

	1912-13.	1913-14.	1914-15.	1915-16, Revised.	1916-17, Budget.
Capital at charge at end of each year .	340,103	351,302	361,556	365,097	366,827
Net working profit from railways excluding interest charges . .	17,272	17,616	15,614	17,123	16,461
Percentage of net working profit to capital outlay	5·08	5·01	4·32	4·69	4·49
Net working profit from railways after meeting interest charges . .	4,803	4,790	2,158	3,348	2,505
Percentage to capital outlay of net profits after meeting interest charges.	1·41	1·36	·60	·92	·68

94. The return on Railway capital (excluding interest charges) was estimated in the current year's budget at 4·01 per cent. We now estimate it at 4·69 per cent, in consequence of the large increase in net railway earnings which I have already dealt with in my review of the Revenue estimates. For next year we put it at 4·49 per cent consequent on the smaller estimate of net earnings provided for in the Budget.

The charges for interest in the current and ensuing years work out to 3·77 and 3·81 per cent respectively on the capital outlay, so that the final net profit on railways in each of these years is 0·92 per cent and 0·68 per cent. But as I said last year, the interest charges include certain annuity and sinking fund payments which really go to the discharge of debt.

G.—Irrigation. (Capital outlay.)

95. The financial position of our great Irrigation undertakings may be gathered from the following table, which brings up to date the information given in previous Financial Statements. The figures are in thousands of pounds:—

Particulars.	1912-13.	1913-14.	1914-15.	1915-16 (Revised).	1916-17 (Budget).
1	2	3	4	5	6
Productive Works.					
Capital outlay to end of each year	33,347	34,645	35,777	36,696	37,601
Total receipts, including land revenue due to irrigation	4,065	4,338	4,325	4,379	4,417
Total expenses, including interest on debt	2,263	2,306	2,452	2,561	2,587
Net profit	1,802	2,032	1,873	1,818	1,830
Percentage of net profit to capital outlay	5·40	5·87	5·24	4·95	4·87
Protective Works.					
Capital outlay to end of each year	4,205	4,796	5,345	5,860	6,274
Total receipts, including land revenue due to irrigation	81	112	101	113	119
Total expenses, including interest on debt	188	213	247	275	290
Net loss	107	101	146	162	171
Percentage of net loss to capital outlay	2·55	2·10	2·73	2·76	2·73
Minor Works and Navigation.					
Direct Receipts	266	263	254	268	280
Expenditure	842	914	986	898	889
Net loss	576	651	732	630	609

96. On the 31st March 1915 the total length of main and branch canals and distributaries which had been constructed on irrigation works of all classes amounted to 62,758 miles, a figure which, it is expected, will have increased by some 500 miles during the current financial year. These channels command an area of approximately 50 million acres of culturable land, and in 1914-15 actually irrigated almost

25½ million acres. The area of irrigation of 1915-16 is, however, expected to show a decline to about 24 million acres as the deficient rainfall in parts of Northern India diminished the available water-supply.

97. In addition to the canals in use there are 39 major projects which are either under construction, awaiting sanction, or being examined by the professional advisers of Government. Of these 14 are productive and 25 protective; they are designed to irrigate 7½ million acres and to cost £30 million.

During the current year only one new work of any magnitude was sanctioned, namely, the Gokak canal, a work of the protective class estimated to cost £1·3 million. It will extend the benefits of irrigation to portions of the Belgaum and Bijapur districts in the Bombay Presidency, and to tracts in Kolhapur and certain other adjacent Native States. Work on this project has not however yet been started, and it is unlikely that a beginning can be made while the present financial stringency endures.

98. In paragraph 84 of my speech of last year I referred to five projects of the first importance which had been engaging the attention of the Government of India for some considerable time. The investigation of the Sukkur, Kistna, and Sutlej projects is still proceeding, while the Cauvery reservoir scheme continues to be held up pending the settlement of certain questions respecting the division of the waters of the Cauvery river as between Madras and the Mysore State. An alternative scheme for the utilisation of the waters of the Sarda river in the United Provinces has been advanced by the local Government and is now being examined. The Koch Dam project in the Punjab has been abandoned as financially impracticable.

99. The opening of the Upper Jhelum Canal by Your Excellency in December last marked the practical completion of the Punjab Triple Canals project, for upon this canal the two other linked systems—the Upper Chenab and Lower Bari Doab Canals—depend for their supplies in the *rabi* season. During the first eight months of the current financial year the two last-named works had irrrigated an area exceeding half a million acres, while, on full development, the triple system as a whole will serve an area of 1,870,000 acres annually. Colonisation on the Lower Bari Doab made good progress during the year.

In the United Provinces good progress was made with the erection of a permanent weir and regulator at Hardwar, the site of the headworks of the Upper Ganges Canal. This work, it is hoped, will be finished in the course of the present calendar year, and will greatly improve the efficiency of the canal.

In the Central Provinces the Weinganga and Tandula Canals are approaching completion : it is hoped that irrigation from the former will begin in 1916 and from the latter in 1917.

Satisfactory progress continues to be made with the important protective works in the Bombay Deccan, *viz.*, the Pravara, Godavari, and Nira Right Bank Canals.

In Burma the Twante Canal is nearly finished. This is a purely navigation work and is intended to improve communications between Rangoon and the rich rice-producing lands of the Irrawaddy delta. It will, it is hoped, be ready for use by the end of 1916.

H.—Delhi Expenditure. (Capital Outlay.)

100. We provided £267,000 in this year's Budget for expenditure under the head 51—Initial expenditure on the new Capital. This has been somewhat exceeded, owing largely to existing commitments resulting from the higher scale on which the programme for 1914-15 had been based, and the actual expenditure is now estimated at £333,000. For the coming year we repeat this year's Budget provision.

The Delhi Committee have been engaged during the present year in carrying on preliminary operations, such as levelling the site, collecting materials, manufacturing bricks and similar miscellaneous work. The Indian clerks' quarters and the menials' quarters, which were commenced in 1914, have been completed; bungalows have been provided for the occupation of the works staff; and progress has been made with the detailed schemes and estimates. But the only important buildings on which a beginning has yet been made are Government House and the Secretariat, on

which a moderate rate of progress will be maintained. The programme of work in 1916-17 will be on similar lines; and the staff employed will be kept down to the minimum necessary to supervise the work in hand and to ensure the completion of the estimates at a reasonably early date, while the larger schemes, such as those relating to sanitation, electric lighting and irrigation, must await an improvement in financial conditions.

The *pro forma* account of expenditure on the Delhi Province which was first given last year has been brought up to date and is produced as an appendix to the Financial Secretary's Explanatory Memorandum.

Council drawings, Exchange and Paper Currency Reserve.

101. As I explained in paragraph 10 of my speech last year, a considerable portion of the aggregate remittance which we have to make to the Secretary of State to finance his home expenditure is now being carried out indirectly, owing to the fact that we are incurring a large amount of military expenditure in India on behalf of the Home Government which the Secretary of State recovers from the War Office. The result from our point of view is of course the same as if he had drawn Council Bills on us to that extent and had correspondingly reduced our capacity to meet his further drawings. We estimated in the Budget that we should thus incur £7·5 million of recoverable military expenditure in India, but this has risen, with the development of the operations which we assist in financing, including the manufacture of munitions, to £14·6 million. In addition, the system adopted, at the instance of His Majesty's Government, of financing the purchase of wheat by direct payments on this side to the firms employed as our purchasing agents has involved a further expenditure of £2·9 million, which the Secretary of State recovered by the sale of the wheat at home. We also placed £2 million at the disposal of the Bank of England in India, against which the Bank made a similar payment to the Secretary of State. Finally, as previously mentioned (paragraph 81), we incurred some recoverable outlay—about £0·9 million—on behalf of the Australian Government.

Altogether, then, our recoverable disbursements here have amounted to £20·4 million. The effect of the wheat purchases and sales in depleting our balances here and inflating those of the Secretary of State was, however, corrected, when exchange fell in June—September and reverse bills were sold, by crediting the proceeds (£4·7 million) to our treasury funds in India, while the Secretary of State met the bills at home from his own balances.

102. Thus the net demand on our treasury balances as a result of these forms of indirect remittance amounted to £15·7 million, or about £8 million more than the Budget had contemplated. We were thus unable to meet the Secretary of State's Council drawings (from those balances) to the full extent anticipated, and yet these were on an unexpectedly large scale. The depression of exchange to which I have just referred was of comparatively short duration. It was doubtless connected in part with the system adopted for financing the wheat purchases, as well as with the demand for remittance in connection with the home war loan; and when these transactions had been adjusted, and the period of renewed activity which normally sets in towards the beginning of the cold weather had started, the situation was reversed, and eventually an exceedingly strong demand set in for trade remittances, which, in accordance with our accepted policy, has been fully met. The Secretary of State's Council drawings are now estimated to amount this year to £16½ million. Of this sum, £3·7 million has been met from our treasury balances, as against £7·1 anticipated in the Budget; and £7·5 million through the Gold Standard Reserve. The London portion of that Reserve had been weakened by having to meet heavy demands for reverse remittances after the outbreak of war, and we have been glad to take the opportunity afforded by a period of strong exchange to re-transfer to it the free portion of the balance which was thus accumulated in India, as well as the £3 million which we have repaid out of the temporary loan of £7 million which we took from the Reserve in the early part of the war. We still retain in India (in our treasury balances) the remaining portion of that loan.

103. The remaining drawings of the current year (£5·3 million) are being taken against the Paper Currency Reserve. As Hon'ble Members are aware, this is the normal practice when the trade demand for remittance exceeds the amounts

which can conveniently be met from our treasury balances. But while in ordinary conditions the proceeds of bills thus drawn against the Paper Currency Reserve are 'earmarked' at home in gold, the Secretary of State has felt obliged, in the financial situation at home created by war conditions, to make a very sparing use of this procedure. To meet this difficulty without detracting from the "availability" of the Reserve, if I may coin a word, we took power by our recent Currency Ordinance to enable him to invest up to a limited extent in short term securities, such as Treasury bills, the sums which he would normally have earmarked in actual gold, and he is utilizing this power up to the extent of £3 million. At the same time we took the opportunity of making it clear that additional investments from the Currency Reserve, when made in India under the powers taken by the Currency Act of last year (V of 1915), can be effected by creating fresh Government paper *ad hoc* and placing it in the Reserve, thus enabling us to carry out the intention, previously announced, of obtaining, when necessary, additional resources for the assistance of trade or for our own possible requirements. The Currency Act just mentioned remains in force up to six months after the close of the war, and we shall ask the Council in the course of the present session to give the same duration to the useful supplementary legislation contained in the recent Ordinance.

104. In 1916-17 we again expect that the bulk of the funds required by the Secretary of State will be met, as in the present year, by the recovery from the Home Government of expenditure—estimated to amount to £17·1 million—which we shall incur on its behalf in India, besides which there will again be expenditure, amounting to about £1 million, on behalf of the Australian Government. The Secretary of State will therefore require to draw on us in the ordinary way to the extent of £5·1 million only. As usual, however, these announcements are merely provisional, and full discretion is retained to vary the amounts in such manner as may be found advisable.

105. The average rate of exchange in the current year, calculated on the Secretary of State's drawings, is taken at 16·068 pence per rupee.

Gold Standard Reserve.

106. The following statement shows the holdings in the Gold Standard Reserve on the 1st April last and at the date of the last published statement. I have also added figures showing how we expect the Reserve to stand on the 31st March in order to bring out important changes in its constitution to which some allusion has already been made.

[In thousands of pounds.]

—	Book credit in India.	Gold set aside in the Bank of England.	Cash placed by the Secretary of State for India in Council at short notice.	Gold held in India.	Temporary loan to Treasury balances in India.	Invested in London.	TOTAL.
1st April 1915 .	70	1,250	8	5,238	7,000	12,149*	25,715
31st January 1916 .	...	1,000	6,038	...	7,000	11,850†	25,888
As estimated on 31st March 1916.	...	1,000	6,166	245	4,000	14,866‡	26,277

* This represents the value of the securities at the minimum prices fixed for them as on the 31st March 1915.

† This represents the value of the securities as on the 31st October 1915.

‡ This represents the value as on the 31st October 1915 (the date of the last valuation) of the securities then held and the cost price of securities purchased since that date.

107. It will be seen that there will still be a 'loose' balance in India of £245,000. This represents interest which we have to pay for our temporary loan from the Reserve, and as it will not be credited till the 31st March next, there will not be time in the current year for its withdrawal, like the remainder of the balance, by the sale of council bills. The balance with which the year opened, and the repaid portion of the loan we had taken in 1914-15, were withdrawn—to the extent of £7·5 million in all—by the sale of council bills as already described; and the

remainder was remitted to England by adjustments through the Paper Currency Reserve* in connection with a very interesting and expedient transaction.

At the time when the 4½ per cent British war loan of 1915 was floated, the Gold Standard Reserve held consols to the nominal value of about £3¼ million. It was decided to take advantage of the conversion scheme attached to the war loan to exchange these holdings into the new and more easily realisable security. This was effected partly by a direct subscription to the loan on behalf of the Reserve, the remittance above mentioned from our balance in India being made for this purpose, and partly by the purchase of conversion rights. The result of the transaction is that consols yielding a total interest of £81,660 a year have been replaced by much superior war loan securities yielding £97,992. Including the further war loan stock which we obtained by direct subscription, our total war loan holding in the Gold Standard Reserve now amount to £3½ million.

Currency notes.

108. In paragraph 94 of my speech introducing the last Financial Statement, I alluded to the fact that during the period of emergency which followed immediately upon the outbreak of war we made special arrangements to secure the unimpeded encashment of our currency notes, and I announced that it would be our object to maintain, and if possible to develop, the facilities then granted. Definite steps have now been taken towards this end. The Royal Commission on Indian Finance and Currency recommended that Government should increase, whenever and wherever possible, the number of places at which notes can be encashed as of right, as well as the extra-legal facilities for encashment. Definite consideration of the Royal Commission's report having been postponed on account of the war, a decision on their recommendation in favour of additional statutory facilities has necessarily to stand over for the time being. We have not, however, thought it advisable to let the matter rest entirely, and we have accordingly revised the rules and practice relating to the issue and encashment of notes at Government treasuries. In our revised rules it is expressly laid down that all possible endeavour shall be made to meet the requirements of a payee as to the form of currency which he desires to take, and that all applications for the exchange of coin for notes, or of notes for coin, shall ordinarily be met; while we have undertaken to make these facilities real and effective by suitable arrangements for the supply of the coin required.

109. This arrangement relates primarily to those cases in which the treasuries are under Government management. We had, however, already recognised that the most favourable opportunities for developing the note circulation on these lines would probably occur at the larger trade centres, at most of which the Presidency Banks have branches and transact treasury business on behalf of Government, and accordingly the policy of enlisting the co-operation of the Presidency Banks has been steadily pursued. Substantial results have now been achieved in this direction. Thus arrangements have been made with the Banks for the issue and free encashment of notes at a considerable number of their existing branches, while new branches have been opened by the Bank of Madras at four places all of which are of considerable importance from the point of view of trade.

The main features of the new arrangements are that the Government have undertaken, for currency purposes, to keep the Presidency Banks in funds at each branch, and to supply them with any form of currency asked for as far as this may be required to permit of the free issue and exchange of universal currency notes, *i.e.*, those up to R100. In consideration of the Banks carrying out these duties on behalf of Government, we have in one instance, in which the arrangements are for the present on a temporary and experimental footing, agreed to reimburse the out-of-pocket expenses incurred by the Bank in connection with the establishment of an exchange department. In other cases we have given a guarantee in respect of the amount of Government funds which, under existing arrangements, are held at the Banks' branches for the transaction of treasury business. This takes the shape either of a guaranteed minimum balance, or of a guaranteed average balance of a specified sum during the busy period of each year. In fixing the remuneration of the Banks in this form the Government have had in view the policy alluded to in another connection in paragraph 11 of my speech introducing the last Financial Statement, by which the balances in the Presidency Banks are kept at as high a level as is compatible with other public interests with the object of enabling a reasonable amount

*We transferred the money to that Reserve here, while the Secretary of State was thus enabled to take a corresponding sum out of his Paper Currency holdings to credit of the Gold Standard Reserve in London.

of assistance to be given to trade. The arrangements above described have thus been made to serve a double purpose.

110. There are certain other matters connected with our paper currency system which deserve mention. The most important of these is the reform effected during the past year by which the practice of re-issuing currency notes has been discontinued. In future all notes presented at a currency office will be at once cancelled however short a time they may have been in circulation. This change of procedure follows the practice of the Bank of England, and has a special advantage as a measure of protection against forgery and fraud, as it is a common device for counterfeit notes to be deliberately soiled or stained in order to obscure the defects of the imitation. When, as is likely to result from the change of procedure, clean notes form the bulk of the circulation, such counterfeit notes will stand a smaller chance of passing current. The change is also likely, on other grounds, to increase the popularity of our notes, as we have found that the public are averse from receiving re-issued notes and not infrequently present them at once at the counter to be changed. I may mention, as a practical example of the way in which this reform has been appreciated, that the Controller of Currency has informed me that the Royal Calcutta Turf Club now issue clean notes only from their totalisators!

We hope in due course to be able to extend the new procedure to currency notes tendered at district treasuries, but there are certain practical difficulties in the way of the immediate extension of the prohibition to so wide a range of offices.

111. We have also had under consideration a proposal to prohibit the cutting of currency notes, which is at present very largely resorted to when these are sent by post. This proposal has, however, been dropped in view of the unfavourable criticism it elicited, the chief ground of objection being that, in view of existing Indian conditions in regard to banking facilities, the use of notes for remittance purposes is indispensable to a large section of the public, and that the prohibition or penalising of the remittance of notes in separate halves would injuriously affect the popularity of the paper currency as a whole. There was, however, one step which Government could safely take to diminish the undoubted inconvenience that results from our offices having to handle notes which have been cut, namely, by prohibiting the practice by which, in certain cases, notes were cut in our currency offices before being remitted to treasuries. It has recently been arranged to discontinue this and to check a similar practice in district treasuries.

112. As I indicated in the beginning of my speech, our currency circulation—partly, I may claim, as a result of the reforms above indicated—is now in a very satisfactory condition, as will be seen from the following statement which gives the active note circulation, *i.e.*, excluding notes held in reserve treasuries and the headquarter offices of the Presidency Banks, on the 1st February in each of the last five years:—

1912	46·75	crores.
1913	51·29	„
1914	51·91	„
1915	45·09	„
1916	54·11	„

The figure for the 1st February last is in fact a record in the statistics of our active circulation—a very notable circumstance, I think, considering the critical times through which we are passing.

The Wheat Scheme.

113. I have already had to make some reference to the Government wheat scheme in connection with the course of exchange and the Secretary of State's Council drawings. I may now say something as to the leading features of the scheme itself. It will be remembered that towards the end of 1914 Indian wheat prices began to rise to an alarmingly high level, and that this rise was practically continuous during the first three months of 1915, in spite of the action taken by Government to limit exports during that period. Prices were being forced up by the effect of the external demand on stocks which were unusually short; and the prospects of the approaching harvest did not, as is ordinarily the case, succeed in easing the situation. So the problem which faced us was to secure that Indian prices should be divorced from world prices, and at the same time to provide an outlet for the surplus crop, which then promised to be large,

alike for the benefit of the Indian cultivator and in order to meet the requirements of the United Kingdom where wheat was in great demand. We therefore resolved, with the approval of His Majesty's Government, to control the export trade by prohibiting all private exports of wheat save some 95,000 tons already covered by existing contracts, and decided that we would ourselves purchase and export all future supplies that might be required for the United Kingdom, to which country our exports were, generally speaking, to be confined. For this purpose we employed the leading export firms as our agents and placed their operations under the control of a Wheat Commissioner. The latter, in consultation with the Government, instructed the purchasing firms month by month in regard to the quantities they might purchase for us and regulated the maximum price at which such purchases could be made. The price was originally fixed at a fairly high level, so as to get into touch with the market, but it was gradually reduced as tenders of wheat increased, and by the middle of June the Government *f. o. b.* price was brought down to R4-10-9 per maund at Karachi. At that time, this figure represented internal prices appreciably above those actually current, but later on the unsatisfactory development of the south-west monsoon brought current prices up to, and finally above, the Government export rate. Consequently, while in the early stage of the scheme the real check on exports was through the maximum allotments to the purchasing firms, since the prices offered would in themselves have attracted much larger quantities, the position has been reversed since the middle of July, export having practically stopped owing to the Government price not being acceptable to dealers in comparison with internal prices, especially in view of the possibility of these rising materially later through poor winter rains. From July onwards, however, the requirements of the United Kingdom became less urgent, so that the stoppage of exports was of no material consequence to it, and was satisfactory to us as decreasing the competition for wheat and thus tending to keep down a rise in prices. Moreover, owing to a fall in prices at home and subsequently, in the autumn, to a great increase in freight charges, further shipment to the United Kingdom of wheat purchased at the price we offered would have resulted in loss. I may mention here that the wheat we shipped home was disposed of under the direction of a Wheat Committee appointed by His Majesty's Government and containing representatives of the India Office, the Treasury and the Board of Agriculture.

114. The scheme speedily provided the check on prices in India which was its main object. In Northern India, just before the scheme came into operation, internal prices at various representative centres ranged between $6\frac{1}{4}$ and $8\frac{3}{4}$ seers per rupee. By the middle of May they had fallen to between 9 and $11\frac{1}{4}$ seers; and in spite of some subsequent rise, caused mainly by the unsatisfactory character of the south-west monsoon in the Punjab, and the delay in the arrival of the winter rains, they are still below the level at which they stood when the scheme came into operation. The scheme has also worked without hardship to the producer. Thus taking the Punjab, the most important portion of India affected, the cultivator there is in normal times well satisfied with a local wholesale price of R3 per maund which corresponds roughly, allowing for transport and other charges, to a price of R4-2-0 *f. o. b.* at Karachi, whereas it will be seen from what I have said already that the prices offered have been considerably higher than this. We have also some information to the effect that the cultivators appreciate the offer of a definite price by Government. The shipment of wheat under the scheme likewise produced an excellent effect in Great Britain, in lowering the prices there at a time when this was much needed: thus the home prices which were at one time 69*s.* a quarter had fallen to 52*s.* in the first half of June. For the success which has attended the scheme we are greatly indebted to the ability, tact and zeal of Mr. M. M. S. Gubbay, C.I.E., who discharged the duties of Wheat Commissioner till he took up, in October last, the post of Deputy Secretary in the Finance Department. The total amount of wheat exported up to date this year amounts to about 650,000 tons.

115. As regards the profits derived from the scheme, these, owing mainly to the enormous cost of freight and the larger supplies that came into the United Kingdom from other quarters, have been much less than might have been anticipated a year ago, and up to date they amount to about £150,000. A definite balance sheet cannot yet be struck, however, as the scheme is to continue in operation, in the interests of the Indian consumer, after the close of the current year, and we shall have to take into account the results of future transactions. In any case there can be no loss to India while the scheme continues in operation on its present lines, and thus still includes the guarantee of His Majesty's Government against such a contingency;

and though we should of course have been glad of a large profit, this was not one of our primary inducements to undertake the scheme. The main object, so far as India is concerned, was, as described in Your Excellency's words in the final Budget debate last year, "to ensure a moderate level of prices, to safeguard the consumer and yet not to disappoint the cultivator of his legitimate profits"; and, as you also said on that occasion, such profits as may finally ensue will be employed in some special way to the advantage of the people.

116. In regard to food-prices generally, I should like to draw attention to our very fortunate position as compared with some of the principal belligerent countries in Europe. Thus it appears from returns compiled by the Director of Statistics that in January last retail food-prices in Calcutta were only 7 per cent above what they had been at the beginning of the war, whereas, as we have recently learned from the Board of Trade *Labour Gazette*, the rise has been 47 per cent in Great Britain, 83 per cent in Germany, and no less than 112 per cent in Austria.

Conclusion.

117. Now, my Lord, I draw my remarks to a close. It has been a source of great concern to the Government of India that the last Budget to be presented under Your Excellency's auspices should be marked by the necessity of a large increase in taxation. But we should be flinching from our duty, and unmindful of the example which has been set to us in other parts of the Empire, were we to shrink from this, while the increased burdens which we have proposed are small in comparison with those which have to be borne by other countries participating in the war. We may also, I think, derive some satisfaction from the fact that whereas on the last occasion on which additional taxation had to be imposed (in 1910) that necessity arose from the domestic circumstances of India, our present measures arise only through the participation of India in the greatest war which any of us are likely to see and in which the whole future of the Empire is in issue. And when I recall the Resolution unanimously passed in this Council on the 24th February 1915, which affirms 'the unswerving resolution of Indians to support the honour, dignity and prestige of the Empire regardless of the sacrifice it may entail on them,' I am confident that the measures we propose will receive full acquiescence in the Council and in the country.

118. In conclusion I desire once again to express my heartfelt acknowledgments to the officers of the Finance Department for the way in which they have dealt, in their various spheres, with the very difficult conditions through which we have passed during the current year and which are likely to continue throughout the year to come. I can only repeat what I said last year that I am most deeply indebted to their loyal and efficient aid.

W. S. MEYER.

Delhi, March 1st, 1916.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1916.

ACCOUNTS	1914-15
REVISED ESTIMATES	1915-16
BUDGET ESTIMATES	1916-17

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I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1914-1915.	Budget Estimate, 1915-1916.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	21,221,539	22,149,600	21,734,900	21,932,100
Opium	„	1,572,218	1,798,000	1,881,200	2,286,900
Salt	„	3,910,790	3,335,400	3,490,500	3,987,600
Stamps	„	5,082,043	5,107,100	5,387,800	5,457,200
Excise	„	8,856,881	8,790,300	8,532,900	8,538,000
Customs	„	6,347,201	5,943,000	5,747,900	7,698,000
Other Heads	„	5,151,321	5,151,000	5,178,300	6,107,400
TOTAL PRINCIPAL HEADS	...	52,141,993	52,274,400	51,953,500	56,007,200
Interest	A	1,023,307	1,057,100	1,076,000	1,155,300
Posts and Telegraphs	„	3,596,973	3,579,200	3,764,800	3,876,900
Mint	„	69,498	71,300	74,000	72,900
Receipts by Civil Departments	„	1,505,120	1,534,000	1,546,300	1,549,900
Miscellaneous	„	677,750	583,200	645,100	565,100
Railways: Net Receipts	„	15,799,149	15,029,300	17,339,300	16,721,700
Irrigation	„	4,680,969	4,795,300	4,759,800	4,815,000
Other Public Works	„	288,219	256,100	258,500	269,700
Military Receipts	„	1,374,688	1,220,300	1,173,100	1,165,900
TOTAL REVENUE	...	81,157,666	80,400,200	82,620,400	86,199,600
DEFICIT	...	1,785,270	2,957,100	1,986,100	...
TOTAL	...	82,942,936	83,357,300	84,606,500	86,199,600

DELHI,
FINANCE DEPARTMENT,
March 1, 1916.

R. A. GAMBLE,
Comptroller-General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1914-1915.	Budget Estimate, 1915-1916.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	8,939,330	9,539,300	9,383,100	9,450,600
Interest	„	1,191,257	1,476,100	1,135,400	989,700
Posts and Telegraphs	„	3,257,263	3,294,400	3,221,000	3,503,500
Mint	„	141,682	102,000	86,000	90,300
Salaries and Expenses of Civil Departments	„	18,909,977	19,207,800	19,067,000	19,323,300
Miscellaneous Civil Charges	„	5,311,384	5,120,400	5,131,200	5,283,300
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	13,641,115	13,839,500	13,996,800	14,217,100
Irrigation	„	3,754,268	3,650,800	3,769,300	3,770,900
Other Public Works	„	7,177,209	5,815,100	5,464,200	4,717,500
Military Services	„	21,809,603	21,389,500	23,015,800	23,165,900
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	85,133,088	84,434,900	85,263,800	85,512,100
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	...	...	46,300	17,100
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*2,190,152*	*1,077,600*	*704,100*	*382,000*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	82,942,936	83,357,300	84,606,500	85,147,200
SURPLUS	...	...	...	...	1,052,400
TOTAL	...	82,942,936	83,357,300	84,606,500	86,199,600

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1914-1915.	Budget Estimate, 1915-1916.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.
		£	£	£	£
Surplus	C	...	...	...	1,052,400
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	"	2,368,577	6,533,300	3,499,300	3,000
Capital contributed by Native States towards construction of State Railways	"	66,666	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net)	"	1,967,490	320,600	539,600	646,600
TOTAL CAPITAL ACCOUNT RECEIPTS		4,402,733	6,920,600	4,105,600	716,300
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	2,727,294	2,008,700	2,386,400	3,822,100
Temporary Debt (net incurred)	"	14,333,333	...	...	...
Unfunded Debt (net incurred)	"	...	...	719,200	254,700
Deposits and Advances (net)	"	...	...	6,272,800	508,100
Loans and Advances by Imperial Government (net Repayments)	"	4,553	...	159,700	...
Loans and Advances by Provincial Governments (net Repayments)	"	...	405,000	155,900	431,300
Loans to Local Boards for Railway Construction	"	7,411	7,700	7,700	8,000
Remittances (net)	"	...	705,700	...	48,400
Secretary of State's Bills drawn	"	7,147,940	7,100,000	3,661,000	5,085,000
Sterling Bills on London		...	...	4,668,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES		24,220,531	10,227,100	18,030,700	10,157,600
TOTAL RECEIPTS	...	28,623,264	17,147,700	22,136,300	11,926,300
Opening Balance—India	...	15,608,253	13,855,353	14,779,334	11,889,734
England	...	(a) 8,157,732	(a) 7,620,132	(a) 7,913,236	(a) 11,956,836
TOTAL	...	52,389,249	38,623,185	44,828,870	35,772,870

(a) Include balances of the Gold Standard Reserve as shown

DELHI,
FINANCE DEPARTMENT,
March 1, 1916.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England.

	For details, *vide* State-ment.	Disbursements.			
		Accounts, 1914-1915.	Budget Estimate, 1915-1916.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.
		£	£	£	£
Deficit	C	1,785,270	2,957,100	1,986,100	...
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	"	1,123,180	1,100,000	905,100	900,000
Outlay on State Railways	"	10,509,858	7,637,700	4,864,100	2,805,900
Initial outlay on new Capital at Delhi	"	360,861	266,700	333,300	266,700
Outlay of Railway Companies (net)	"	1,342,253	683,700	898,100	927,600
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	13,335,652	9,688,100	7,000,600	4,900,200
Debt, Deposits and Advances—					
Temporary Debt (net discharged)	...	...	...	3,000,000	1,500,000
Unfunded Debt (net Discharged)	C	5,002,280	219,900	...	...
Deposits and Advances (net)	"	2,095,408	1,894,100	...	...
Loans and Advances by Imperial Government (net Advances)	"	...	153,700	...	44,700
Loans and Advances by Provincial Governments (net Advances)	"	343,125	...	...	...
Remittances (net)	"	536,911	...	157,300	...
Secretary of State's Bills paid	"	6,598,033	7,260,000	4,170,300	5,085,000
Sterling Bills on London	...	...	...	4,668,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	14,575,757	9,527,700	11,995,600	6,629,700
TOTAL DISBURSEMENTS	...	29,696,679	22,172,900	20,982,300	11,529,900
Closing Balance—India	...	14,779,334	12,433,253	11,889,734	12,836,034
England	...	(a) 7,913,236	(a) 4,017,032	(a) 11,956,836	(a) 11,906,936
TOTAL	...	52,389,249	38,623,185	44,828,870	35,772,870

(a) See the notes on pages 50 and 51.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A —Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1914-1915.					REVISED	
				DISTRIBUTION OF TOTAL BETWEEN			
	India.	England.	TOTAL.	Imperial.	Provincial.	India.	England.
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	21,221,539	...	**21,221,539**	10,336,078	10,885,461	21,734,900	...
II.—Opium	1,572,218	...	**1,572,218**	1,572,218	...	1,881,200	...
III.—Salt	3,910,790	...	**3,910,790**	3,910,790	...	3,490,500	...
IV.—Stamps	5,082,043	...	**5,082,043**	2,589,799	2,492,244	5,387,800	...
V.—Excise	8,856,881	...	**8,856,881**	2,501,481	6,355,400	8,532,900	...
VI.—Provincial Rates	38,814	...	**38,814**	259	38,555	39,300	...
VII.—Customs	6,347,201	...	**6,347,201**	6,347,201	...	5,747,900	...
VIII.—Income Tax	2,036,733	...	**2,036,733**	1,115,291	921,442	2,021,600	...
IX.—Forest	1,980,652	...	**1,980,652**	56,492	1,924,160	2,002,300	...
X.—Registration	485,295	...	**485,295**	6,115	479,180	509,900	...
XI.—Tributes from Native States	609,827	...	**609,827**	609,827	...	605,200	...
TOTAL	52,141,993	...	**52,141,993**	29,045,551	23,096,442	51,953,500	...
XII.—Interest	841,178	182,129	**1,023,307**	700,802	322,505	891,000	185,000
XIII.—Posts and Telegraphs	3,557,103	39,870	**3,596,973**	3,596,973	...	3,745,700	19,100
XV.—Mint	69,498	...	**69,498**	69,498	...	74,000	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	404,568	...	**404,568**	33,563	371,005	401,000	...
XVI.—Law and Justice { Jails	296,534	...	**296,534**	29,410	267,124	299,500	...
XVII.—Police	141,281	...	**141,281**	5,220	136,061	140,200	...
XVIII.—Ports and Pilotage	140,339	...	**140,339**	...	140,339	129,800	...
XIX.—Education	266,250	...	**266,250**	6,626	259,624	293,500	...
XX.—Medical	84,125	633	**84,758**	1,386	83,372	86,900	600
XXIA.—Agriculture	63,217	...	**63,217**	8,984	54,233	75,000	...
XXIB.—Scientific and Miscellaneous Departments	107,549	624	**108,173**	11,740	96,433	119,100	700
TOTAL	1,503,863	1,257	**1,505,120**	96,929	1,408,191	1,545,000	1,300
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	164,164	49,071	**213,235**	144,876	68,359	169,900	44,000
XXIII.—Stationery and Printing	97,594	...	**97,594**	45,838	51,756	91,200	...
XXIV.—Exchange	1,729	...	**1,729**	1,729	...	76,700	...
XXV.—Miscellaneous	350,378	14,814	**365,192**	194,925	170,267	248,000	15,300
TOTAL	613,865	63,885	**677,750**	387,368	290,382	585,800	59,300
Railways—							
XXVI.—State Railways (Gross Receipts)	36,104,743	424	**36,105,167**	36,096,664	8,503	37,699,300	2,900
Deduct :—Working Expenses	*19,685,811*	...	*19,685,811*	*19,677,337*	*8,474*	*19,860,200*	...
Surplus profits paid to Companies, etc.	*690,898*	...	*690,898*	*690,898*	...	*595,100*	...
Net Receipts	15,728,034	424	**15,728,458**	15,728,429	29	17,244,000	2,900
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	23,396	47,295	**70,691**	70,691	...	20,900	71,500
TOTAL	15,751,430	47,719	**15,799,149**	15,799,120	29	17,264,900	74,400
Irrigation—							
XXIX.—Major Works: Direct Receipts	2,758,490	...	**2,758,490**	1,123,205	1,635,285	2,758,300	...
Portion of Land Revenue due to Irrigation	1,667,864	...	**1,667,864**	903,733	764,131	1,734,000	...
XXX.—Minor Works and Navigation	254,615	...	**254,615**	100,120	154,495	267,500	...
TOTAL	4,680,969	...	**4,680,969**	2,127,058	2,553,911	4,759,800	...
Other Public Works—							
XXXI.—Civil Works	288,219	...	**288,219**	52,640	235,579	288,500	...
Military Receipts—							
XXXII.—Army: Effective	661,659	310,187	**971,846**	971,846	...	464,700	309,300
Non-Effective	86,650	37,695	**124,345**	124,345	...	82,400	37,000
	748,309	347,882	**1,096,191**	1,096,191	...	547,100	346,300
XXXIII.—Marine	198,115	...	**198,115**	198,115	...	193,700	...
XXXIV.—Military Works	80,382	...	**80,382**	80,382	...	86,000	...
TOTAL	1,026,806	347,882	**1,374,688**	1,374,688	...	826,800	346,300
Transfers between Imperial and Provincial Revenues	...	...	...	−2,481,649	+2,481,649	...	...
TOTAL REVENUE	80,474,924	682,742	**81,157,666**	50,768,978	30,388,688	81,935,000	685,400

India, in India and in England.

ESTIMATE, 1915-1916.				BUDGET ESTIMATE, 1916-1917.						
Total.	Distribution of Total between		Increase + Decrease — as compared with Budget Estimate, 1915-1916.	India.	England.	Total.	Distribution of Total between		Increase + Decrease — of Budget, 1916-1917, as compared with Budget Estimate, 1915-1916.	Increase + Decrease — of Budget, 1916-1917, as compared with Revised Estimate, 1915-1916.
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
21,734,900	10,610,700	11,124,200	—414,700	21,932,100	...	**21,932,100**	10,744,100	11,188,000	—217,500	+197,200
1,881,200	1,881,200	...	+83,200	2,286,900	...	**2,286,900**	2,286,900	...	+488,900	+405,700
3,490,500	3,490,500	...	+155,100	3,987,600	...	**3,987,600**	3,987,600	...	+652,200	+497,100
5,387,800	2,744,800	2,643,000	+280,700	5,457,200	...	**5,457,200**	2,779,800	2,677,400	+350,100	+69,400
8,532,900	2,386,000	6,146,900	—257,400	8,538,600	...	**8,538,000**	2,379,400	6,158,600	—252,300	+5,100
39,300	300	39,000	+8,700	28,400	...	**28,400**	200	28,200	—2,200	—10,900
5,747,900	5,747,900	...	—195,100	7,698,000	...	**7,698,000**	7,698,000	...	+1,755,000	+1,950,100
2,021,600	1,102,700	918,900	+143,300	2,912,800	...	**2,912,800**	1,588,100	1,324,700	+2,034,500	+891,200
2,002,300	66,400	1,935,900	—113,500	2,035,100	...	**2,035,100**	66,600	1,968,500	—80,700	+32,800
509,900	6,000	503,900	—3,100	517,400	...	**517,400**	6,100	511,300	+4,400	+7,500
605,200	605,200	...	—8,100	613,700	...	**613,700**	613,700	...	+400	+8,500
51,953,500	28,641,700	23,311,800	—320,900	56,007,200	...	**56,007,200**	32,150,500	23,856,700	+3,732,800	+4,053,700
1,076,000	708,100	367,900	+18,900	849,100	306,200	**1,155,300**	820,700	334,600	+98,200	+79,300
3,764,800	3,764,800	...	+185,600	3,855,600	21,300	**3,876,900**	3,876,900	...	+297,700	+113,100
74,000	74,000	...	+2,700	72,900	...	**72,900**	72,900	...	+1,600	—1,100
401,000	34,300	366,700	—7,900	398,000	...	**398,000**	23,300	374,700	—10,300	—3,000
299,500	31,100	268,400	—4,700	291,800	...	**291,800**	30,900	260,900	—12,400	—7,700
140,200	5,400	134,800	+100	147,300	...	**147,300**	6,000	141,300	+7,200	+7,100
129,800	...	129,800	—21,100	133,000	...	**133,000**	...	133,000	—17,900	+3,200
293,500	7,300	286,200	+18,600	282,300	...	**282,300**	6,700	275,600	+7,400	—11,200
87,500	1,600	85,900	+600	88,600	500	**89,100**	1,500	87,600	+2,200	+1,600
75,000	10,600	64,400	+3,700	82,200	...	**82,200**	11,000	71,200	+10,900	+7,200
119,800	9,600	110,200	+23,000	125,400	800	**126,200**	9,700	116,500	+29,400	+6,400
1,546,300	99,900	1,446,400	+12,800	1,548,600	1,300	**1,549,900**	89,100	1,460,800	+15,900	+3,600
213,900	140,900	73,000	+24,100	170,500	42,800	**213,300**	140,500	72,800	+23,500	—600
91,200	42,400	48,800	—4,800	92,200	...	**92,200**	40,900	51,300	—3,800	+1,000
76,700	76,700	...	+76,700	...	...	**...**	...	...	...	—76,700
263,300	98,500	164,800	—34,100	242,400	17,200	**259,600**	98,800	160,800	—37,800	—3,700
645,100	358,500	286,600	+61,900	505,100	60,000	**565,100**	280,200	284,900	—18,100	—80,000
37,702,200	37,692,900	9,300	+2,360,500	37,166,600	11,300	**37,177,900**	37,168,600	9,300	+1,836,200	—524,300
19,860,200	***19,853,200***	***7,000***	+52,900	***19,921,300***	...	***19,921,300***	***19,914,100***	***7,200***	—8,200	—61,100
595,100	***595,100***	...	—106,900	***620,000***	...	***620,000***	***620,000***	...	—131,800	—24,900
17,246,900	17,244,600	2,300	+2,306,500	16,625,300	11,300	**16,636,600**	16,634,500	2,100	+1,696,200	—610,300
92,400	92,400	...	+3,500	24,100	61,000	**85,100**	85,100	...	—3,800	—7,300
17,339,300	17,337,000	2,300	+2,310,000	16,649,400	72,300	**16,721,700**	16,719,600	2,100	+1,692,400	—617,600
2,758,300	1,152,100	1,606,200	—10,900	2,841,600	...	**2,841,600**	1,206,700	1,634,900	+72,400	+83,300
1,734,000	937,800	796,200	—8,900	1,693,600	...	**1,693,600**	918,400	775,200	—49,300	—40,400
267,500	104,500	163,000	—15,700	279,800	...	**279,800**	107,800	172,000	—3,400	+12,300
4,759,800	2,194,400	2,565,400	—35,500	4,815,000	...	**4,815,000**	2,232,900	2,582,100	+19,700	+55,200
288,500	48,800	239,700	+32,400	269,700	...	**269,700**	48,800	220,900	+13,600	—18,800
774,000	774,000	...	—190,600	505,600	277,700	**783,300**	783,300	...	—181,300	+9,300
119,400	119,400	...	+8,900	83,100	37,000	**120,100**	120,100	...	+9,600	+700
893,400	893,400	...	—181,700	588,700	314,700	**903,400**	903,400	...	—171,700	+10,000
193,700	193,700	...	+125,500	182,500	...	**182,500**	182,500	...	+114,300	—11,200
86,000	86,000	...	+9,000	80,000	...	**80,000**	80,000	...	+3,000	—6,000
1,173,100	1,173,100	...	—47,200	851,200	314,700	**1,165,900**	1,165,900	...	—54,400	—7,200
...	—2,418,500	+2,418,500	...	...	...	...	—1,805,800	+1,805,800	...	...
82,620,400	51,981,800	30,638,600	+2,220,200	85,423,800	775,800	**86,199,600**	55,651,700	30,547,900	+5,799,400	+3,579,200

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1914-1915.					REVISED
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	408,173	...	**408,173**	282,264	125,909	336,500	...
2.—Assignments and Compensations	1,250,292	...	**1,250,292**	558,401	691,891	1,288,500	...
Charges in respect of Collection, *viz.* :—							
3.—Land Revenue	3,912,377	1,641	**3,914,018**	321,285	3,592,733	3,976,300	1,400
4.—Opium (including cost of Production)	653,819	270	**654,089**	654,089	...	930,300	700
5.—Salt (including cost of Production)	358,825	1,692	**360,517**	360,517	...	381,900	2,500
6.—Stamps	63,730	56,133	**119,863**	46,723	73,140	61,900	94,000
7.—Excise	459,346	339	**459,685**	144,053	315,632	478,100	600
9.—Customs	263,655	624	**264,279**	264,279	...	264,300	300
10.—Income Tax	32,626	...	**32,626**	16,435	16,191	34,700	...
11.—Forest	1,213,763	4,045	**1,217,808**	76,054	1,141,754	1,268,000	3,100
12.—Registration	257,980	...	**257,980**	1,900	256,080	260,000	...
Total	8,874,586	64,744	**8,939,330**	2,726,000	6,213,330	9,280,500	102,600
Interest—							
13.—Interest on Debt	3,693,680	6,077,903	**9,771,583**	8,828,349	943,234	3,826,700	6,182,200
Deduct—Amounts chargeable to Railways†	*4,205,914*	*3,706,300*	***7,912,214***	*7,912,214*	...	*4,344,900*	*3,731,800*
„ Amounts chargeable to Irrigation	*1,284,150*	*125,379*	***1,409,529***	*705,916*	*703,613*	*1,337,500*	*126,800*
Remainder chargeable on Ordinary Debt	−1,796,384	2,246,224	**449,840**	210,219	239,621	−1,855,700	2,323,600
14.—*Interest on other obligations*	741,417	...	**741,417**	741,417	...	667,500	...
Total	−1,054,967	2,246,224	**1,191,257**	951,636	239,621	−1,188,200	2,323,600
15.—Posts and Telegraphs	3,048,115	209,148	**3,257,263**	3,257,263	...	3,053,300	167,700
17.—Mint	132,278	9,404	**141,682**	141,682	...	77,800	8,200
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,640,248	407,990	**2,048,238**	1,139,358	908,880	1,655,500	336,100
19.—Law and Justice { Courts	3,291,445	809	**3,292,254**	86,287	3,205,967	3,377,700	1,200
19.—Law and Justice { Jails	1,018,093	450	**1,018,543**	139,873	878,670	1,052,500	...
20.—Police	5,235,803	1,205	**5,237,008**	266,009	4,970,999	5,411,700	700
21.—Ports and Pilotage	208,655	1	**208,656**	1	208,655	217,900	...
22.—Education	3,298,494	10,320	**3,308,814**	126,559	3,182,255	3,166,700	10,000
23.—Ecclesiastical	126,806	413	**127,219**	127,219	...	131,000	200
24.—Medical	1,507,895	6,340	**1,514,235**	152,265	1,361,970	1,477,400	3,300
25.—Political	1,099,360	23,975	**1,123,335**	913,654	209,681	1,140,300	10,800
26A.—Agriculture	563,554	2,631	**566,185**	63,248	502,937	599,700	2,000
26B.—Scientific and Miscellaneous Departments	430,675	34,815	**465,490**	326,676	138,814	439,500	32,200
Total	18,421,028	488,949	**18,909,977**	3,341,149	15,568,828	18,669,900	397,100
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	198,071	10,550	**208,621**	208,621	...	204,600	10,600
28.—Civil Furlough and Absentee Allowances	601	359,838	**360,439**	360,439	...	1,100	228,000
29.—Superannuation Allowances and Pensions	1,414,079	2,065,655	**3,479,734**	2,181,704	1,298,030	1,430,800	2,053,000
30.—Stationery and Printing	618,859	113,407	**732,266**	206,394	525,872	646,700	123,000
32.—Miscellaneous	402,210	128,114	**530,324**	306,363	223,961	386,700	46,700
Total	2,633,820	2,677,564	**5,311,384**	3,263,521	2,047,863	2,669,900	2,461,300
Famine Relief and Insurance—							
33.—Famine Relief	279,885	...	**279,885**	176,213	103,672	40,000	...
34.—Construction of Protective Railways	−1,311	...	**−1,311**	−1,311	...	−400	...
35.—Construction of Protective Irrigation Works	483,075	18,236	**501,311**	501,311	...	493,900	6,500
36.—Reduction or Avoidance of Debt	220,115	...	**220,115**	25,210	194,905	460,000	...
Total	981,764	18,236	**1,000,000**	701,423	298,577	993,500	6,500
Carried over	33,036,624	5,714,269	**38,750,893**	14,382,674	24,368,219	33,556,700	5,467,000

	ACCOUNTS, 1914-1915.			REVISED ESTIMATE, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.
†Included under the following heads :—	£	£	£	£	£	£
State Railways—Interest on Debt	4,189,391	3,625,050	**7,814,441**	4,327,400	3,650,600	**7,978,000**
Ditto —Interest chargeable against Companies on Advances	16,523	81,250	**97,773**	17,500	81,200	**98,700**
Total	4,205,914	3,706,300	**7,912,214**	4,344,900	3,731,800	**8,076,700**

Revenues of India, in India and in England.

ESTIMATE, 1915-1916.			Increase + Decrease — as compared with Budget Estimate, 1915-1916.	BUDGET ESTIMATE, 1916-1917.					Increase + Decrease — of Budget, 1916-1917, as compared with Budget Estimate, 1915-1916.	Increase + Decrease — of Budget, 1916-1917, as compared with Revised Estimate, 1915-1916.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
336,500	229,100	107,400	+20,000	335,100	...	**335,100**	234,000	101,100	+18,600	−1,400
1,288,500	571,200	717,300	+2,300	1,280,600	...	**1,280,600**	564,200	716,400	−5,600	−7,900
3,977,700	315,700	3,662,000	−145,000	3,990,900	1,600	**3,992,500**	290,700	3,701,800	−130,200	+14,800
931,000	931,000	...	+18,100	953,400	500	**953,900**	953,900	...	+41,000	+22,900
384,400	384,400	...	−6,600	398,500	1,000	**399,500**	399,500	...	+8,500	+15,100
155,900	81,600	74,300	+4,700	62,300	89,900	**152,200**	75,100	77,100	+1,000	−3,700
478,700	147,900	330,800	−13,400	488,700	200	**488,900**	151,600	337,300	−3,200	+10,200
264,600	264,600	...	−11,200	270,600	100	**270,700**	270,700	...	−5,100	+6,100
34,700	17,600	17,100	+200	36,500	...	**36,500**	18,300	18,200	+2,000	+1,800
1,271,100	83,100	1,188,000	−21,200	1,277,500	3,300	**1,280,800**	82,300	1,198,500	−11,500	+9,700
260,000	2,000	258,000	−4,100	259,900	...	**259,900**	1,800	258,100	−4,200	−100
9,313,100	3,028,200	6,354,900	−156,200	9,354,000	96,600	**9,450,600**	3,042,100	6,408,500	−88,700	+67,500
10,008,900	9,045,200	963,700	−10,100	3,868,300	6,088,700	**9,957,000**	8,989,100	967,900	−62,000	−51,900
8,076,700	*8,076,700*	...	−311,000	*4,414,900*	*3,733,800*	***8,148,700***	*8,148,700*	...	−383,000	−72,000
1,464,300	*743,500*	*720,800*	−41,000	*1,381,800*	*127,600*	***1,509,400***	*774,000*	*735,400*	−86,100	−45,100
467,900	225,000	242,900	−362,100	−1,928,400	2,227,300	**298,900**	66,400	232,500	−531,100	−169,000
667,500	667,500	...	+21,400	690,800	...	**690,800**	690,800	...	+44,700	+23,300
1,135,400	892,500	242,900	−340,700	−1,237,600	2,227,300	**989,700**	757,200	232,500	−486,400	−145,700
3,221,000	3,221,000	...	−73,400	3,179,500	324,000	**3,503,500**	3,503,500	...	+209,100	+282,500
86,000	86,000	...	−16,000	85,200	5,100	**90,300**	90,300	...	−11,700	+4,300
1,991,600	1,085,000	906,600	−27,900	1,659,700	351,200	**2,010,900**	1,099,800	911,100	−8,600	+19,300
3,378,900	82,200	3,296,700	+65,900	3,355,400	700	**3,356,100**	81,000	3,275,100	+43,100	−22,800
1,052,500	152,000	900,500	+42,700	1,065,700	...	**1,065,700**	151,600	914,100	+55,900	+13,200
5,412,400	280,500	5,131,900	+50,100	5,516,100	200	**5,516,300**	298,000	5,218,300	+154,000	+103,900
217,900	...	217,900	+2,400	200,800	...	**200,800**	...	200,800	−14,700	−17,100
3,176,700	112,800	3,063,900	−218,100	3,256,400	10,200	**3,266,600**	129,500	3,137,100	−128,200	+89,900
131,200	131,200	...	−4,100	136,100	300	**136,400**	136,400	...	+1,100	+5,200
1,480,700	129,200	1,351,500	−9,300	1,468,400	3,100	**1,471,500**	153,400	1,318,100	−18,500	−9,200
1,151,100	958,200	192,900	−5,200	1,162,100	16,400	**1,178,500**	958,600	219,900	+22,200	+27,400
602,300	64,300	538,000	−6,600	620,500	1,800	**622,300**	64,300	558,000	+13,400	+20,000
471,700	319,000	152,700	−30,700	458,100	40,100	**498,200**	325,700	172,500	−4,200	+26,500
19,067,000	3,314,400	15,752,600	−140,800	18,899,300	424,000	**19,323,300**	3,398,300	15,925,000	+115,500	+256,300
215,200	215,200	...	−2,600	203,700	10,600	**214,300**	214,300	...	−3,500	−900
229,100	229,100	...	+145,200	1,300	228,000	**229,300**	229,300	...	+145,400	+200
3,483,800	2,172,800	1,311,000	−59,700	1,477,000	2,052,000	**3,529,000**	2,169,500	1,359,500	−14,500	+45,200
769,700	225,600	544,100	+16,000	632,900	107,700	**740,600**	201,900	538,700	−13,100	−29,100
433,400	168,300	265,100	−88,100	543,600	26,500	**570,100**	234,600	335,500	+48,600	+136,700
5,131,200	3,011,000	2,120,200	+10,800	2,858,500	2,424,800	**5,283,300**	3,049,600	2,233,700	+162,900	+152,100
40,000	40,000	...	+32,900	46,300	...	**46,300**	46,300	...	+39,200	+6,300
−400	−400	...	−400	−600	...	**−600**	−600	...	−600	−200
500,400	500,400	...	+400	412,200	21,100	**433,300**	433,300	...	−66,700	−67,100
460,000	295,300	164,700	−32,900	521,000	...	**521,000**	424,500	96,500	+28,100	+61,000
1,000,000	835,300	164,700	...	978,900	21,100	**1,000,000**	903,500	96,500	...	...
39,023,700	14,388,400	24,635,300	−716,300	34,117,800	5,522,900	**39,640,700**	14,744,500	24,896,200	−99,300	+617,000

BUDGET ESTIMATE, 1916-1917.		
India.	England.	Total.
£	£	£
4,397,400	3,652,600	**8,050,000**
17,500	81,200	**98,700**
4,414,900	3,733,800	**8,148,700**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1914-1915.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward	33,036,624	5,714,269	**38,750,893**	14,382,674	24,368,219	33,556,700	5,467,000
Railways—							
38.—State Railways: Interest on Debt	4,189,391	3,625,050	**7,814,441**	7,814,441	...	4,327,400	3,650,600
Annuities in purchase of Railways	...	3,357,665	**3,357,665**	3,357,665	...	...	3,357,700
Sinking Funds	...	199,554	**199,554**	199,554	...	...	208,900
Interest chargeable against Companies on Advances	16,523	81,250	**97,773**	97,773	...	17,500	81,200
Interest on Capital deposited by Companies	54,098	1,932,369	**1,986,467**	1,986,467	...	58,600	2,073,200
40.—Subsidised Companies: Land, etc.	97,990	...	**97,990**	97,473	517	177,600	...
41.—Miscellaneous Railway Expenditure	87,225	...	**87,225**	87,225	...	38,100	...
Total	4,445,227	9,195,888	**13,641,115**	13,640,598	517	4,619,200	9,371,600
Irrigation—							
42.—Major Works: Working Expenses	1,289,393	...	**1,289,393**	604,321	685,072	1,371,900	...
Interest on Debt	1,284,150	125,379	**1,409,529**	705,916	703,613	1,337,500	126,800
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	59,863	...	**59,863**	59,863	...	21,700	...
43.—Minor Works and Navigation	995,230	253	**995,483**	302,313	693,170	910,800	600
Total	3,628,636	125,632	**3,754,268**	1,672,413	2,081,855	3,641,900	127,400
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	459	...	**459**	...	459	1,500	...
45.—Civil Works	7,089,011	87,739	**7,176,750**	1,048,960	6,127,790	5,414,700	48,000
Total	7,089,470	87,739	**7,177,209**	1,048,960	6,128,249	5,416,200	48,000
Military Services—							
46.—Army: Effective	14,780,052	2,300,746	**17,080,798**	17,080,798	...	15,906,500	2,469,600
Non-Effective	733,792	2,521,969	**3,255,761**	3,255,761	...	848,200	2,425,900
	15,513,844	4,822,715	**20,336,559**	20,336,559	...	16,754,700	4,895,500
46A.—Marine	245,979	217,391	**463,370**	463,370	...	228,800	290,300
47.—Military Works	960,367	35,704	**996,071**	996,071	...	793,500	36,700
47A.—Special Defences (1902)	4,343	9,260	**13,603**	13,603	...	7,500	8,800
Total	16,724,533	5,085,070	**21,809,603**	21,809,603	...	17,784,500	5,231,300
Total Expenditure, Imperial and Provincial	64,924,490	20,208,598	**85,133,088**	52,554,248	32,578,840	65,018,500	20,245,300
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	...	...	...	...	46,800	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	*2,190,152*	...	***2,190,152***	...	*2,190,152*	*704,100*	...
Total Expenditure charged to Revenue	62,734,338	20,208,598	**82,942,936**	52,554,248	30,388,688	64,361,200	20,245,300

	ACCOUNTS, 1914-1915.		
	India.	England.	Total.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	8,085,799	2,424,059	**10,509,858**
49.—Irrigation Works	1,077,746	45,434	**1,123,180**
Total	9,163,545	2,469,493	**11,633,038**
51.—Initial Expenditure on new Capital at Delhi	299,452	60,909	**360,361**

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1915-1916.			Increase + Decrease − as compared with Budget Estimate, 1915-1916.	BUDGET ESTIMATE, 1916-1917.					Increase + Decrease − of Budget, 1916-1917, as compared with Budget Estimate, 1915-1916.	Increase + Decrease − of Budget, 1916-1917, as compared with Revised Estimate, 1915-1916.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
39,023,700	14,388,400	24,635,300	−716,300	34,117,800	5,522,900	**39,640,700**	14,744,500	24,896,200	−99,300	+617,000
7,978,000	7,978,000	...	+311,200	4,397,400	3,652,600	**8,050,000**	8,050,000	...	+383,200	+72,000
3,357,700	3,357,700	...	...	...	3,357,700	**3,357,700**	3,357,700	...	...	...
208,900	208,900	...	+800	...	217,700	**217,700**	217,700	...	+9,600	+8,800
98,700	98,700	...	−200	17,500	81,200	**98,700**	98,700	...	−200	...
2,131,800	2,131,800	...	−121,500	59,600	2,172,100	**2,231,700**	2,231,700	...	−21,600	+99,900
177,600	176,700	900	−23,500	234,300	...	**234,300**	233,300	1,000	+33,200	+56,700
38,100	37,300	800	−15,500	27,000	...	**27,000**	26,700	300	−26,600	−11,100
13,990,800	13,989,100	1,700	+151,300	4,735,800	9,481,300	**14,217,100**	14,215,800	1,300	+377,600	+226,300
1,371,900	649,500	722,400	+100,500	1,367,500	...	**1,367,500**	638,900	728,600	+96,100	−4,400
1,464,300	743,500	720,800	+41,000	1,381,800	127,600	**1,509,400**	774,000	735,400	+86,100	+45,100
21,700	21,700	...	+21,700	...	...	...	...	...	...	−21,700
911,400	282,800	628,600	−44,700	894,000	...	**894,000**	288,900	605,100	−62,100	−17,400
3,769,300	1,697,500	2,071,800	+118,500	3,643,300	127,600	**3,770,900**	1,701,800	2,069,100	+120,100	+1,600
1,500	...	1,500	+200	1,700	...	**1,700**	...	1,700	+400	+200
5,462,700	877,100	4,585,600	−351,100	4,676,300	39,500	**4,715,800**	771,300	3,944,500	−1,098,000	−746,900
5,464,200	877,100	4,587,100	−350,900	4,678,000	39,500	**4,717,500**	771,300	3,946,200	−1,097,600	−746,700
18,376,100	18,376,100	...	+1,674,500	16,476,900	1,858,600	**18,335,500**	18,335,500	...	+1,633,900	−40,600
3,274,100	3,274,100	...	+2,000	919,600	2,324,000	**3,243,600**	3,243,600	...	−28,500	−30,500
21,650,200	21,650,200	...	+1,676,500	17,396,500	4,182,600	**21,579,100**	21,579,100	...	+1,605,400	−71,100
519,100	519,100	...	−131,300	257,100	450,500	**707,600**	707,600	...	+57,200	+188,500
830,200	830,200	...	+85,900	808,300	50,000	**858,300**	858,300	...	+114,000	+28,100
16,300	16,300	...	−4,800	12,300	8,600	**20,900**	20,900	..	−200	+4,600
23,015,800	23,015,800	...	+1,626,300	18,474,200	4,691,700	**23,165,900**	23,165,900	...	+1,776,400	+150,100
85,263,800	53,967,900	31,295,900	+828,900	65,649,100	19,863,000	**85,512,100**	54,599,300	30,912,800	+1,077,200	+248,300
46,800	...	46,800	+420,300	17,100	...	**17,100**	...	17,100	+712,700	+292,400
704,100	...	***704,100***		***382,000***	...	***382,000***	...	***382,000***		
84,606,500	53,967,900	30,638,600	+1,249,200	65,284,200	19,863,000	**85,147,200**	54,599,300	30,547,900	+1,789,900	+540,700

REVISED ESTIMATE, 1915-1916.			BUDGET ESTIMATE, 1916-1917.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
3,934,700	929,400	**4,864,100**	2,154,600	651,300	**2,805,900**
870,100	35,000	**905,100**	882,900	17,100	**900,000**
4,804,800	964,400	**5,769,200**	3,037,500	668,400	**3,705,900**
320,300	13,000	**333,300**	215,400	51,300	**266,700**

C.—Statement of Receipts and Disbursements of the

	Accounts, 1914-1915			Revised Estimate, 1915-1916.			Budget Estimate, 1916-1917.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A) .	80,474,924	682,742	81,157,666	81,935,000	685,400	82,620,400	85,423,800	775,800	86,199,600
Excess of Revenue over Expenditure charged to Revenue			**-1,785,270**			**-1,986,100**			**1,052,400**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways .	2,368,577	...	2,368,577	3,499,300	...	3,499,300	3,000	...	3,000
Capital contributed by Native States towards construction of State Railways . . .	66,666	...	66,666	66,700	...	66,700	66,700	...	66,700
Outlay of Railway Companies—									
Repayments . . .	...	20,407	20,407	...	9,500	9,500	...	2,000	2,000
Net .			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital . . .	410,154	1,557,336	1,967,490	914,800	...	914,800	646,600	2,930,400	3,577,000
Net .			**1,967,490**			**539,600**			**646,600**
Permanent Debt Incurred—									
Sterling Debt—									
India Stock . . .	...	...		...	...		...	...	
Rupee Debt—									
Rupee Loan . . .	3,333,333	...		3,332,700	...		4,333,300	...	
Total .	3,333,333	...	3,333,333	3,332,700	...	3,332,700	4,333,300	...	4,333,300
Net .			**2,727,294**			**2,386,400**			**3,822,100**
Temporary Debt Incurred—									
Temporary Loans .	8,333,333	7,000,000	15,333,333	...	7,000,000	7,000,000	...	5,500,000	5,500,000
Net .			**14,333,333**			**0**			**0**
Unfunded Debt—									
Deposits of Service Funds .	86,845	...		87,300	...		86,300	...	
Savings Bank Deposits .	7,568,652	...		6,429,800	...		6,252,500	...	
Total .	7,655,497	...	7,655,497	6,517,100	...	6,517,100	6,338,800	...	6,338,800
Net .			**0**			**719,200**			**254,700**
Deposits and Advances—									
Balances of Provincial Allotments	...	...		46,800	...		17,100	...	
Appropriation for Reduction or Avoidance of Debt .	220,115	...		460,000	...		521,000	...	
Deposits of Local Funds—									
District Funds . .	5,272,271	...		5,079,500	...		4,955,300	...	
Other Funds . . .	1,253,775	...		1,111,600	...		1,153,500	...	
Deposits of Sinking Funds .	59,058	...		37,900	...		16,500	...	
	(a)	(b)			(c)				
Gold Standard Reserve .	8,779,868	10,021,380		...	15,324,600		...	17,259,700	
Paper Currency Reserve .	...	...		...	(e)5,350,000		...	12,000,000	
Departmental and Judicial Deposits . . .	31,653,523	...		30,075,200	...		28,079,300	...	
Advances . . .	6,195,340	899,333		6,619,700	1,586,500		6,203,400	1,569,000	
Suspense Accounts . .	298,235	...		7,464,700	...		7,625,000	...	
Miscellaneous . . .	132,417	4,221		38,900	353,100		6,600	545,000	
Total .	53,864,602	10,924,934	64,789,536	50,934,300	22,614,200	73,548,500	48,577,700	31,373,700	79,951,400
Net .			**0**			**6,272,800**			**508,100**
Carried over .	156,507,086	20,185,419		147,199,900	30,309,100		145,389,900	40,581,900	

(a) Includes £8,707,000 on account of bills and telegraphic transfers on London.
(c) Includes £7,533,000 remitted from India by means of Council bills.
(e) Represents remittance from India by means of Council bills.

Government of India, in India and in England.

	Accounts, 1914-1915.			Revised Estimate, 1915-1916.			Budget Estimate, 1916-1917.		
	India.	England.	Total.	India.	England.	Total.	India	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	64,924,490	20,208,598	85,133,088	65,018,500	20,245,300	85,263,800	65,049,100	19,863,000	85,512,100
Add—Provincial Surpluses transferred to "Deposits"	...	...	...	46,800	...	46,800	17,100	...	17,100
Deduct—Provincial Deficits charged to "Deposits"	*2,190,152*	...	*2,190,152*	*704,100*	...	*704,100*	*382,000*	...	*382,000*
Total	62,734,338	20,208,598	82,942,936	64,361,200	20,245,300	84,606,500	65,284,200	19,863,000	85,147,200
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	1,077,746	45,434	1,123,180	870,100	35,000	905,100	882,900	17,100	900,000
Outlay on State Railways	8,085,799	2,424,059	10,509,858	3,934,700	929,400	4,864,100	2,154,600	651,300	2,805,900
Initial expenditure on new Capital at Delhi	299,452	60,909	360,361	320,300	13,000	333,300	215,400	51,300	266,700
Outlay of Railway Companies—Payments for Capital Outlay	—171,039	1,533,699	1,362,660	175,900	731,700	907,600	517,400	412,200	929,600
Net			**1,342,253**			**898,100**			**927,600**
Raised and deposited by Railway Companies—Payments for Discharge of Debentures	...	...	...	...	375,200	375,200	...	2,930,400	2,930,400
Net			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Indian Midland Railway Debentures	...	...		...	407,500		...	...	
India Bonds	...	500,000		...	500,000		...	500,000	
Rupee Debt—									
4½ p. c. Loans	...	...		...	...		...	...	
4 p. c. Loans	103,579	...		...	...		...	...	
3½ p. c. Loans	...	...		...	...		4,500	...	
3 p. c. Loans	2,433	...		38,700	...		6,700	...	
Provincial Debentures	27	...		100	...		...	...	
Total	106,039	500,000	606,039	38,800	907,500	946,300	11,200	500,000	511,200
Net			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans	1,000,000	...	1,000,000	3,000,000	7,000,000	10,000,000	...	7,000,000	7,000,000
Net			**0**			**3,000,000**			**1,500,000**
Unfunded Debt—									
Special Loans	184	...		1,300	...		300	...	
Deposits of Service Funds	95,428	...		91,900	...		97,900	...	
Savings Bank Deposits	12,562,165	...		5,704,700	...		5,985,900	...	
Total	12,657,777	...	12,657,777	5,797,900	...	5,797,900	6,084,100	...	6,084,100
Net			**50,0 2,280**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	2,190,152	...		704,100	...		382,000	...	
Deposits of Local Funds—									
District Funds	5,246,520	...		5,463,600	...		5,257,600	...	
Other Funds	1,384,298	...		1,164,900	...		1,170,000	...	
Deposits of Sinking Funds	22,685	...		127,800	...		...	...	
		(*a*)			(*d*)				
Gold Standard Reserve	8,732,110	10,038,020		69,900	9,167,100		...	16,619,400	
Paper Currency Reserve	...	...		...	5,350,000		...	12,000,000	
Departmental and Judicial Deposits	31,561,598	...		28,765,500	...		28,107,500	...	
Advances	6,443,804	934,120		6,820,500	1,774,900		6,204,000	1,732,100	
Suspense Accounts	309,586	...		7,601,000	...		7,665,700	...	
Miscellaneous	19,170	2,881		...	266,400		...	305,000	
Total	55,909,923	10,975,021	66,884,944	50,717,300	16,558,400	67,275,700	48,786,800	30,656,500	79,443,300
Net			**2,095,408**			**0**			**0**
Carried over	141,700,035	35,747,720		129,216,200	46,795,500		123,936,600	62,081,800	

(*b*) Includes £600,000 remitted from India by means of Council bills and £172 on account of profit by exchange.
(*d*) Includes £225,000 on account of bills and telegraphic transfers on London.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1914-1915.			Revised Estimate, 1915-191 .			Budget Estimate, 1916-1917.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . .	156,507,086	20,185,419		147,199,900	30,309,100		145,389,900	40,581,900	
Loans and Advances by Imperial Government	210,361	...	210,361	321,400	...	321,400	206,700	...	206,700
Net .			4,553			159,700			0
Loans and Advances by Provincial Governments . .	1,244,507	...	1,244,507	1,495,900	...	1,495,900	1,316,600	...	1,316,600
Net .			0			155,900			431,300
Loans to Local Boards for Railway Construction . .	7,411	...	7,411	7,700	...	7,700	8,000	...	8,000
Net .			7,411			7,700			8,000
Remittances—									
Inland Money Orders .	37,351,921	...		38,000,000	...		40,000,000	...	
Other Local Remittances .	...	...		8,179,800	...		6,579,200	...	
Other Departmental Accounts . . .	1,777	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Railways . . .	11,360,439	...		14,312,100	...		14,177,900	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs .	6,115,047	...		826,000	...		1,298,100	...	
Marine	5,161,966	...		5,741,900	...		4,954,600	...	
Military Works . .	983,943	...		1,201,800	...		1,130,300	...	
Military	16,413,122	...		21,523,300	...		25,402,500	...	
Remittance Account between England and India—									
Gold remitted from India .	1	604,754		...	2,000,000		...	...	
Transfers through Paper Currency Reserve . .	...	1,000,000		...	...		...	...	
War Office transactions .	5,060,543	9,229,436		2,050,200	16,235,200		2,251,000	18,600,000	
Purchase of Silver . .	...	3,138		...	...		...	...	
Railway transactions . .	4,615,345	2,360,578		2,127,500	3,487,900		1,402,500	506,500	
Other „ . .	1,517,751	1,217,226		4,739,800	9,512,300		2,087,400	3,129,500	
Total .	88,581,855	14,415,132	102,996,987	98,702,400	31,235,400	129,937,800	99,283,500	22,236,000	121,519,500
Net .			0			0			48,400
Secretary of State's Bills drawn . .	...	(b) 7,147,940	7,147,940	...	(d) 3,661,000	3,661,000	...	5,085,000	5,085,000
Sterling Bills on London . . .	...	...	...	(e)4,668,000	...	4,668,000	...	...	...
Total Receipts . .	246,551,220	41,748,491		252,395,300	65,205,500		246,204,700	67,902,900	
Opening Balance . .	15,608,253	(a) 8,157,732		14,779,334	(c) 7,913,236		11,889,734	(f) 11,956,836	
GRAND TOTAL .	262,159,473	49,906,223		267,174,634	73,118,736		258,094,434	79,859,736	

(a) Of this amount £24,962 represents the funds of the Gold Standard Reserve.
(c) „ £8,322 „ „ „ „ „ „
(e) In addition to £225,000 on account of the Gold Standard Reserve.
(g) Of this amount £6,806,122 represents the funds of the Gold Standard Reserve.

Delhi,
Finance Department,
March 1, 1916.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England—*continued.*

	Accounts, 1914-1915.			Revised Estimate, 1915-1916.			Budget Estimate, 1916-1917.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	141,760,035	35,747,720		129,216,200	46,795,500		123,936,600	62,081,800	
Loans and Advances by Imperial Government .	205,808	...	205,808	161,700	...	161,700	251,400	...	251,400
Net .			0			0			44,700
Loans and Advances by Provincial Governments .	1,587,632	...	1,587,632	1,340,000	...	1,340,000	885,300	...	885,300
Net .			343,125			0			0
Remittances—									
Inland Money Orders .	37,415,953	...		38,000,000	...		40,000,000	...	
Other Local Remittances	55,305	...		8,179,800	...		6,579,200	...	
Other Departmental Accounts . . .	16,565	...		...	...		...	...	
Net Payments into Civil Treasuries by—									
Railways . . .	11,470,314	...		14,412,100	...		14,177,900	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	6,110,269	...		826,000	...		1,298,100	...	
Marine . . .	5,149,021	...		5,741,900	...		4,954,600	...	
Military Works . .	982,615	...		1,201,800	...		1,130,300	...	
Military . . .	16,415,545	...		21,523,300	...		25,402,500	...	
Remittance Account between England and India—									
Gold remitted from India . . .	604,761	...		2,000,000	...		...	...	
Transfers through Paper Currency Reserve . .	1,000,000	...		...	...		...	...	
War Office transactions	13,932,274	545,109		16,300,000	2,050,200		18,600,000	2,251,000	
Purchase of Silver .	3,138	...		...	...		...	...	
Railway transactions .	2,326,785	4,649,049		3,459,600	2,155,800		...	1,909,000	
Other „ .	1,806,086	1,051,109		8,752,200	5,492,400		3,457,500	1,711,000	
Total .	97,288,631	6,245,267	103,533,898	120,396,700	9,698,400	130,095,100	115,600,100	5,871,000	121,471,100
Net .			536,911			157,300			0
Secretary of State's Bills paid . .	(b) 6,598,033	...	6,598,033	(d) 4,170,300	...	4,170,300	5,085,000	...	5,085,000
Sterling Bills on London . .	...	...	...	...	(e) 4,668,000	4,668,000	...	...	...
Total Disbursements .	247,380,139	41,992,987		255,284,900	61,161,900		245,758,400	67,952,800	
Closing Balance .	14,779,334	(c) 7,913,236		11,889,734	(f) 11,956,836		12,336,034	(g) 11,906,936	
GRAND TOTAL .	262,159,473	49,906,223		267,174,634	73,118,736		258,094,434	79,859,736	

(*b*) In addition to £600,172 on account of remittance of the Gold Standard Reserve.
(*d*) In addition to £7,533,000 and £5,350,000 on account of the Gold Standard Reserve and Paper Currency Reserve, respectively.
(*f*) Of this amount £6,165,822 represents the funds of the Gold Standard Reserve.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1914-15.	Revised, 1915-16.	Budget, 1916-17.
Madras—	₹	₹	₹
Balance on April 1st	1,75,60,468	1,10,16,000	1,06,20,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,66,700	24,50,000	24,50,000
Other revenue	7,32,67,482	7,39,46,000	7,44,65,000
Total Expenditure	8,22,78,598	7,67,92,000	7,71,14,000
Closing Balance	1,10,16,052	1,06,20,000	1,04,21,000
Bombay—			
Balance on April 1st	1,95,34,085	1,58,04,000	1,38,65,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	20,88,500	20,80,000	20,80,000
Other revenue	7,34,95,486	7,26,10,000	7,30,80,000
Total Expenditure	7,93,13,794	7,66,29,000	7,54,10,000
Closing Balance	1,58,04,277	1,38,65,000	1,36,15,000
Bengal—			
Balance on April 1st	3,18,11,112	2,72,60,000	2,57,05,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	44,91,600	35,21,000	35,13,000
Other revenue	5,77,18,295	5,88,10,000	5,82,91,000
Total Expenditure	6,67,60,684	6,38,86,000	6,15,47,000
Closing Balance	2,72,60,323	2,57,05,000	2,59,62,000
United Provinces—			
Balance on April 1st	1,84,74,177	1,45,07,000	1,42,86,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,21,600	24,99,000	22,29,000
Other revenue	6,36,97,879	6,61,52,000	6,51,34,000
Total Expenditure	7,00,87,086	6,88,72,000	6,80,97,000
Closing Balance	1,45,06,570	1,42,86,000	1,35,52,000
Punjab—			
Balance on April 1st	70,91,590	52,21,000	59,23,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	16,84,800	13,60,000	13,55,000
Other revenue	4,59,21,488	4,70,74,000	4,59,89,000
Total Expenditure	4,94,76,552	4,77,32,000	4,78,26,000
Closing Balance	52,21,326	59,23,000	54,41,000
Burma—			
Balance on April 1st	1,39,36,225	93,25,000	61,42,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,92,200	9,94,000	9,94,000
Other revenue	5,25,28,435	5,35,82,000	5,49,00,000
Total Expenditure	5,96,31,715	5,77,59,000	5,72,02,000
Closing Balance	93,25,145	61,42,000	48,34,000
Bihar and Orissa—			
Balance on April 1st	1,91,64,187	1,54,33,000	1,34,73,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	14,63,300	14,61,000	14,61,000
Other revenue	2,86,97,957	2,99,95,000	2,88,07,000
Total Expenditure	3,38,91,898	3,34,16,000	3,25,71,000
Closing Balance	1,54,33,496	1,34,73,000	1,11,70,000
Central Provinces—			
Balance on April 1st	1,09,53,278	97,46,000	95,00,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	9,29,200	9,14,000	9,14,000
Other revenue	2,83,78,124	2,77,73,000	2,79,44,000
Total Expenditure	3,05,15,078	2,89,33,000	2,89,16,000
Closing Balance	97,45,524	95,00,000	94,42,000
Assam—			
Balance on April 1st	55,88,802	29,49,000	18,87,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	4,47,600	4,48,000	4,48,000
Other revenue	1,36,39,666	1,39,10,000	1,41,64,000
Total Expenditure	1,67,27,190	1,54,20,000	1,50,09,000
Closing Balance	29,48,878	18,87,000	14,90,000
Total—			
Balance on April 1st	14,41,13,874	11,12,61,000	10,14,01,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,84,85,500	1,57,27,000	1,54,44,000
Other revenue	43,73,44,812	44,38,52,000	44,27,74,000
Total Expenditure	48,86,82,595	46,94,39,000	46,36,92,000
Closing Balance	11,12,61,591	10,14,01,000	9,59,27,000
Total (in sterling)—	£	£	£
Balance on April 1st	9,607,591	7,417,400	6,760,100
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,232,367	1,048,500	1,029,600
Other revenue	29,156,321	29,590,100	29,518,300
Total Expenditure	32,578,840	31,295,900	30,912,800
Closing Balance	7,417,439	6,760,100	6,395,200

R. A. GAMBLE, *Comptroller General.*

H. F. HOWARD, *Controller of Currency.*

J. B. BRUNYATE, *Secy. to the Govt. of India.*

DELHI,
FINANCE DEPARTMENT,
March 1, 1916.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1914-1915.					REVISED ESTIMATE, 1915-1916.		BUDGET ESTIMATE, 1916-1917.	
	Revenue.	Expenditure. Refunds and Assignments.	Expenditure. Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	21,221,539	786,595	3,914,018	16,520,926		16,963,400		17,142,500	
Opium	1,572,218	5,336	654,089	912,793		946,600		1,329,400	
Salt	3,910,790	269,985	360,517	3,280,288		2,829,500		3,319,300	
Stamps	5,082,043	61,894	119,863	4,900,286		5,174,100		5,245,100	
Excise	8,856,881	109,133	459,685	8,288,063		7,936,300		7,940,900	
Provincial Rates	38,814	1,346	...	37,468		39,200		28,300	
Customs	6,347,201	190,141	264,279	5,892,781		5,340,000		7,279,000	
Income Tax	2,036,733	16,794	32,626	1,987,313		1,970,600		2,861,560	
Forest	1,980,652	9,434	1,217,808	753,410		722,100		745,800	
Registration	485,295	862	257,980	226,453		249,000		256,600	
Tributes	609,827	206,945	...	402,882		399,600		408,100	
TOTAL	52,141,993	1,658,465	7,280,865	43,202,663		42,570,400		46,556,600	
Total deduction from Revenue		8,939,380							
Expenditure Heads.									
Debt Services — Interest	1,023,307	1,191,257			167,950		59,400	165,600	
Commercial Services — Posts and Telegraphs	3,596,973	3,257,263		339,710		543,800		373,400	
Railways	15,799,149	13,641,115		2,158,034		3,348,500		2,504,600	
Irrigation	4,680,969	3,754,268		926,701		990,500		1,044,100	
Other Public Works — Civil Works, etc.	288,219	7,177,209			6,888,990		5,175,700		4,447,800
Mint — Mint	69,498	141,682			72,184		12,000		17,400
Civil Departments — Civil Departments	1,505,120	18,909,977			17,404,857		17,520,700		17,773,400
Miscellaneous Civil Services — Superannuation	213,235	3,479,734			3,266,499		3,269,900		3,315,700
Exchange	1,729	...		1,729		76,700			
Miscellaneous	365,192	530,324			165,132		170,100		310,500
Other heads	97,594	1,301,326			1,203,732		1,122,800		1,092,000
Famine Relief and Insurance — Famine Relief	...	279,885			279,885		40,000		46,300
Other heads	...	720,115			720,115		960,000		953,700
Military Services — Army — Effective	971,846	17,080,798			16,108,952		17,602,100		17,552,200
Army — Non-effective	124,345	3,255,761			3,131,416		3,154,700		3,123,500
Marine	198,115	463,370			265,255		325,400		525,100
Military works	80,382	996,071			915,689		744,200		778,300
Special Defences (1902)	...	13,603			13,603		16,300		20,900
TOTAL	81,157,666	85,133,088			3,975,422		2,643,400	687,500	
Provincial Adjustment — Surplus		...							
Deficit		2,190,152		2,190,152		657,300		364,900	
TOTAL	81,157,666	82,942,936			1,785,270		1,986,100	1,052,400	
Surplus								1,052,400	
Deficit					1,785,270		1,986,100		
Capital Account — Railway and Irrigation Capital not charged to Revenue:— Capital raised through Companies towards outlay on State Railways				2,368,577		3,499,300		3,000	
Capital contributed by Native States towards construction of State Railways				66,666		66,700		66,700	
Capital raised and deposited by Railway Companies (net)				1,967,490		539,600		646,600	
Outlay on Irrigation Works					1,123,180		905,100		900,000
Outlay on State Railways					10,509,858		4,864,100		2,805,900
Initial outlay on new Capital at Delhi					360,361		333,300		266,700
Outlay of Railway Companies (net)					1,342,253		898,100		927,600
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				2,727,294		2,386,400		3,822,100	
Temporary Debt (net)				14,333,333			3,000,000		1,500,000
Unfunded Debt (net)					5,002,280	719,200		254,700	
Loans and Advances by Imperial Government (net)				4,553		159,700			44,700
Loans and Advances by Provincial Governments (net)					343,125	155,900		431,300	
Loans to Local Boards for Railway Construction (net)				7,411		7,700		8,000	
Deposits and Advances (net)					2,095,408	6,272,800		508,100	
Remittances (net)					536,911		157,300	48,400	
Secretary of State's Bills drawn				7,147,940		3,661,000		5,085,000	
Secretary of State's Bills paid					6,598,033		4,170,300		5,085,000
Sterling Bills on London draw						4,668,000			
Sterling Bills on London paid							4,668,000		
				28,623,264	29,696,679	22,136,300	20,982,300	11,926,300	11,529,900
Cash Balance — Opening Balance				23,765,985		22,692,570		23,846,570	
Closing Balance					22,692,570		23,846,570		24,242,970
TOTAL				52,389,249	52,389,249	44,828,870	44,828,870	35,772,870	35,772,870

R. A. GAMBLE,
Comptroller General.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI;
FINANCE DEPARTMENT,
March 1, 1916.

The following Bill was introduced in the Indian Legislative Council on the 1st day of March, 1916 :—

No. 3 OF 1916.

A Bill to amend the Indian Tariff Act, 1894, and for other purposes.

WHEREAS it is expedient to amend the Indian Tariff Act, 1894, and to repeal, so far as it relates to this Act, and re-enact with amendments section 22 of the Sea Customs Act, 1878; VIII of 1894. VIII of 1878.
It is hereby enacted as follows :—

Short title and retrospective effect.

1. (*1*) This Act may be called the Indian Tariff (Amendment) Act, 1916.

(*2*) It shall be deemed to have come into force on the 1st day of March, 1916, and any sums due on account of new duties leviable thereunder or of any deficiency between the duties which have been paid and the duties which are leviable thereunder shall be deemed to be duties short levied within the meaning of section 39 of the Sea Customs Act, 1878, VIII of 1878. and that Act shall apply accordingly.

Definition.

2. In this Act the Indian Tariff Act, 1894 (hereinafter referred to as the said Act), means the Indian Tariff Act, 1894, as subsequently amended. VIII of 1894

Substitution of new section 3 in Act VIII of 1894.

3. For section 3 of the said Act, the following section shall be substituted, namely :—

"3. (*1*) There shall be levied and collected in every port to which this Act applies, the duties specified in the Second and Third Schedules.

(*2*) The Governor-General in Council may, by notification in the Gazette of India, fix, for the purpose of levying the said duties, tariff values of any articles enumerated, either specifically or under general headings, in the said Schedules as chargeable with duty *ad valorem*, and may alter any tariff values for the time being in force.

(*3*) Different tariff values may be fixed for different classes or descriptions of the same article."

Substitution of new Schedules for Schedules II, III, IV and V of Act VIII of 1894.

4. For the Second, Third, Fourth and Fifth Schedules of the said Act, the Schedules contained in the First Schedule to this Act shall be substituted.

Repeals.

5. The enactments specified in the Second Schedule to this Act are repealed to the exte t specified in the fourth column thereof.

SCHEDULE I.

SCHEDULES TO BE SUBSTITUTED IN THE INDIAN TARIFF ACT, 1894.

(*See section 4.*)

"SCHEDULE II—IMPORT TARIFF.

PART I.

Articles which are free of duty.

No.	Names of Articles.
	I.—Food, Drink and Tobacco—
1	HOPS.
2	SALT imported into British India and issued, in accordance with rules made with the previous sanction of the Governor General in Council, for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Government of Bengal to manufacturers of glazed stone-ware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Governor General in Council, for use in curing fish in those provinces. (For the general duty on salt, see No. 39.)

SCHEDULE II—IMPORT TARIFF.

PART I—*contd.*

Articles which are free of duty.

No.	Names of Articles.
	II.—Raw materials and produce and articles mainly unmanufactured—
	HIDES AND SKINS, RAW.
3	HIDES AND SKINS, raw or salted.
	SEEDS.
4	OIL-SEEDS imported into British India by sea from the territories of any Native Prince or Chief in India.
	TEXTILE MATERIALS.
5	COTTON, raw.
6	WOOL, raw.
	MISCELLANEOUS.
7	MANURES, all sorts, including animal bones and the following chemical manures :—Basic slag, nitrate of soda, muriate of potash, sulphate of potash, kainit salts, nitrate of lime, calcium cyanamide and mineral superphosphates.
8	PULP OF WOOD, RAGS and other paper-making materials.
	III.—Articles wholly or mainly manufactured—
	APPAREL.
9	UNIFORMS AND ACCOUTREMENTS appertaining thereto, imported by a public servant for his personal use.
	ARMS, AMMUNITION AND MILITARY STORES.
10	The following classes of ARMS, AMMUNITION AND MILITARY STORES :—
	(*a*) Articles falling under the 5th, 6th, 8th, 9th or 10th item of No. 45, when they appertain to a firearm falling under the 1st or 3rd item and are fitted into the same case with such firearm.
	(*b*) Arms forming part of the regular equipment of an officer entitled to wear diplomatic, military, naval or police uniform.
	(*c*) A sword, a revolver, or a pair of pistols, when accompanying an officer of His Majesty's regular forces or a commissioned officer of a volunteer corps, or certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving, to be imported by the officer for the purpose of his equipment.
	(*d*) Swords and revolvers which are certified by an Inspector-General of Police to be part of the ordinary equipment of members of the Police force under his charge.
	(*e*) Swords forming part of the equipment of Indian commissioned officers of His Majesty's Army.
	(*f*) Swords for presentation as army or volunteer prizes.
	(*g*) Arms, ammunition, and military stores imported with the sanction of the Government of India for the use of any portion of the military forces of a Native State in India which may be maintained and organized for Imperial Service.
	(*h*) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.
	CHEMICALS, DRUGS AND MEDICINES.
11	ANTI-PLAGUE SERUM.
12	QUININE and other alkaloids of cinchona.

SCHEDULE II—IMPORT TARIFF.

PART I—*concld.*

Articles which are free of duty.

No.	Names of Articles.
	HARDWARE, IMPLEMENTS AND INSTRUMENTS.
13	The following AGRICULTURAL IMPLEMENTS, when constructed so that they can be worked by manual or animal power, namely, winnowers, threshers, mowing and reaping machines, elevators, seed-crushers, chaff-cutters, root-cutters, horse and bullock gears, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, and rakes.
14	The following DAIRY APPLIANCES, when constructed so that they can be worked by manual or animal power, namely, cream separators, milk sterilizing or pasteurizing plant, milk aërating and cooling apparatus, churns, butter dryers, and butter workers.
15	INSTRUMENTS, APPARATUS and APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.
16	WATER-LIFTS, SUGAR-MILLS, OIL-PRESSES, and parts thereof, when constructed so that they can be worked by manual or animal power.
	MACHINERY.
17	MACHINERY AND COMPONENT parts thereof as defined in No. 58 imported by the owner of a cotton spinning or weaving mill and proved to the satisfaction of the Collector of Customs to be intended for use in a cotton spinning or weaving mill.
18	The following ARTICLES used in the manufacture of cotton, namely, bobbins (warping), forks for looms, healds, heald cords, heald knitting needles, laces, lags and needles for dobbies, pickers (buffalo and others), picking bands, picking levers, picking sticks (over and under), reed pliers, reeds, shuttles (for power looms), springs for looms, strappings, and weft forks.
19	DRAWING-IN-FRAMES imported by the owner of a cotton weaving mill and proved to the satisfaction of the Collector of Customs to be intended for use in the weaving of cotton.
	METALS.
20	CURRENT SILVER, NICKEL, BRONZE, AND COPPER COIN of the Government of India.
21	GOLD BULLION and coin.
	PAPER.
22	TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book, or parcel post.
	YARNS AND TEXTILE FABRICS.
23	COTTON TWIST AND YARN, and COTTON SEWING OR DARNING THREAD.
24	SECOND-HAND OR USED GUNNY BAGS made of jute.
	MISCELLANEOUS.
25	ART, the following works of :—(1) statuary and pictures intended to be put up for the public benefit in a public place, and (2) memorials of a public character intended to be put up in a public place, including the materials used, or to be used in their construction, whether worked or not.
26	BOOKS, printed, including covers for printed books, maps, charts, and plans, proofs, music and manuscripts.
27	The following articles, when imported by the owner of a cotton weaving mill and proved to the satisfaction of the Collector of Customs to be intended for use in the weaving of cotton or the baling of woven cotton goods :— Aniline blue, bisulphate of soda, China clay, chloride of magnesium, chloride of zinc, dressalin, Epsom salts, farina, Farinina, flannel taping, Glauber salts, glutina, glycerine substitutes, heald varnish, hoop iron, hoop steel, rivets for bales, sewing needles, sizing paste, sizing wax, soda ash, starch, velvet pulp.
	IV.—Miscellaneous and unclassified—
28	ANIMALS, living, all sorts.
29	SPECIMENS ILLUSTRATIVE OF NATURAL SCIENCE, including also antique coins and medals.

SCHEDULE II—IMPORT TARIFF.

PART II.

Articles which are liable to duty at special rates.

No.	Names of articles.	Unit or method of assessment.	Rate of duty.
	I.—Food, Drink and Tobacco—		R A.
	FISH.		
30	FISH, SALTED, wet or dry . . .	Indian maund of 82⅔ lbs. avoirdupois weight.	Such rate or rates of duty not exceeding twelve annas as the Governor-General in Council may, by notification in the Gazette of India, from time to time prescribe.
	LIQUORS.		
31	ALE, Beer and Porter . . .	Imperial gallon or 6 quart bottles.	Four annas and six pies.
32	CIDER and other fermented liquors . .	Ditto.	Ditto.
33	SPIRIT, which has been rendered effectually and permanently unfit for human consumption	*Ad valorem* . .	7½ per cent.
34	PERFUMED SPIRITS	Imperial gallon or 6 quart bottles.	18 12
35	LIQUEURS, Cordials, Mixtures and other preparations containing spirit—		
	(*a*) Entered in such a manner as to indicate that the strength is not to be tested.	Ditto.	14 10
	(*b*) If tested	Imperial gallon or 6 quart bottles of the strength of London proof.	11 4 and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof.
36	All other sorts of SPIRIT . . .	Ditto.	Ditto.
37	WINES—		
	Champagne and all other sparkling wines not containing more than 42 per cent. of proof spirit.	Imperial gallon or 6 quart bottles.	4 6
	All other sorts of wines not containing more than 42 per cent of proof spirit :	Ditto.	1 12
	Provided that all sparkling and still wines containing more than 42 per cent. of proof spirit shall be liable to duty at the rate applicable to 'All other sorts of Spirit.'		
	SUGAR.		
38	SUGAR, all sorts, including Molasses and Saccharine produce of all sorts, but excluding confectionery (see No. 74).	*Ad valorem.*	10 per cent.
	OTHER FOOD AND DRINK.		
39	SALT, excluding salt exempted under No. 2.	Indian maund of 82⅔ lbs. avoirdupois weight.	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.
	TOBACCO.		
40	TOBACCO, unmanufactured . .	Pound.	1 0
41	CIGARS AND CIGARETTES . . .	*Ad valorem.*	50 per cent.
42	All other sorts of TOBACCO manufactured	Pound.	1 8

SCHEDULE II—IMPORT TARIFF.

PART II—*contd.*

Articles which are liable to duty at special rates.

No.	Names of articles.	Unit or method of assessment.	Rate of duty.	
	II.—Raw materials and produce and articles mainly unmanufactured—		R A.	
	COAL, COKE AND PATENT FUEL.			
43	COAL, COKE AND PATENT FUEL . .	Ton.	0 8	
	OILS.			
44	PETROLEUM, including also naphtha and the liquids commonly known by the names of rock-oil, Rangoon oil, Burma oil, kerosine, paraffin oil, mineral oil, petroline, gasoline, benzol, benzoline, benzine, and any inflammable liquid which is made from petroleum, coal, schist, shale, peat or any other bituminous substance, or from any products of petroleum, but excluding the following classes of petroleum :— Petroleum which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer and is proved to the satisfaction of the Collector of Customs to be intended for use exclusively for the batching of jute or other fibre, or for lubricating purposes. Petroleum which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer and is proved to the satisfaction of the Collector of Customs to be intended for use exclusively as fuel or for some sanitary or hygienic purpose (*see* No. 80).	Imperial gallon.	One anna and six pies.	
	III.—Articles wholly or mainly manufactured—			
	ARMS, AMMUNITION AND MILITARY STORES.			
	Subject to the exemptions specified in No. 10—			
	(1) Firearms other than pistols, including gas and air-guns and rifles.	Each	50 0	or 20 per cent. *ad valorem* whichever is higher.
	(2) Barrels for the same, whether single or double.	„	30 0	
	(3) Pistols	„	15 0	
	(4) Barrels for the same, whether single or double.	„	10 0	
	(5) Main springs and magazine springs for firearms, including gas guns and rifles.	„	8 0	
	(6) Gun stocks and breech blocks .	„	5 0	
	(7) Revolver-cylinders, for each cartridge they will carry.	„	2 8	
	(8) Actions (including skeleton and waster), breech bolts and their heads, cocking pieces, and locks (for muzzle-loading arms).	„	1 8	
	(9) Machines for making, loading, or closing cartridges for rifled arms.	„	10 0	
	(10) Machines for capping cartridges for rifled arms.	„	2 8	
			Proviso 1.—No duty in excess of 20 per cent. *ad valorem* shall be levied upon any of the articles specified in items Nos. 1 to 10 of this entry when they are imported in reasonable quantity, for his own private use, by any person lawfully entitled to possess the same.	

SCHEDULE II—IMPORT TARIFF.

PART II—*concld.*

Articles which are liable to duty at special rates.

No.	Names of Articles.	Unit or method of assessment.	Rate of duty.
			R A.
			Proviso 2.—When any articles which have been otherwise imported, and upon which duty has been levied or is leviable under items Nos. 1 to 10, are purchased retail from the importer by a person lawfully entitled as aforesaid, in reasonable quantity for his own private use, the importer may apply to the Collector of Customs for refund or remission (as the case may be) of so much of the duty thereon as is in excess of 20 per cent. *ad valorem*; and if such Collector is satisfied as to the identity of the articles and that such importer is in other respects entitled to such refund or remission, he shall grant the same accordingly.
46	GUNPOWDER for cannons, rifles, guns, pistols and sporting purposes.	*Ad valorem*	20 per cent.
47	Subject to the exemptions specified in No. 10 all articles other than those specified in entry No. 45 which are ARMS OR PARTS OF ARMS within the meaning of the Indian Arms Act (excluding springs used for air-guns which are dutiable as hardware, under No. 97), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Governor General in Council may, by notification in the Gazette of India, declare to be ammunition or military stores for the purposes of this Act.	*Ad valorem*	20 per cent.
	CHEMICALS, DRUGS AND MEDICINES.		
48	OPIUM and its alkaloids	Seer of 80 tolas	24 0
	METALS.		
49	SILVER, BULLION OR COIN, not otherwise specified (*see* Nos. 20 and 29).	Ounce	0 4
50	SILVER PLATE, silver thread and wire, and silver manufactures, all sorts.	*Ad valorem*	15 per cent. Provided that, where the silver contained in an article can be ascertained or where an official or recognized certificate of assay in such form as the Government of India may prescribe, is presented showing the amount of silver contained in an article, the Collector of Customs shall levy duty at the rate of 4 annas per ounce on the amount of silver so determined, and at the rate of 7½ per cent. on the difference between the value of such silver calculated at the market value of silver and the real value of the article.
	TEXTILE FABRICS.		
51	COTTON piece goods, hosiery, thread other than sewing or darning thread and all other manufactured cotton goods not otherwise specified.	*Ad valorem*	3½ per cent.

SCHEDULE II—IMPORT TARIFF.

PART III.

Articles which are liable to duty at 2½ per cent. *ad valorem*.

No.	Names of Articles.
	I.—Food, Drink and Tobacco—
	GRAIN, PULSE AND FLOUR.
52	GRAIN AND PULSE, all sorts, including broken grain and pulse, but excluding flour (*see* No. 71).
	PROVISIONS AND OILMAN'S STORES.
53	VINEGAR in casks.
	II.—Raw materials and produce and articles mainly unmanufactured—
	METALLIC ORES AND SCRAP IRON OR STEEL FOR RE-MANUFACTURE
54	IRON OR STEEL, old.
	WOOD AND TIMBER.
55	FIREWOOD.
	III.—Articles wholly or mainly manufactured—
	CHEMICALS, DRUGS AND MEDICINES.
56	COPPERAS, green.
	HARDWARE, IMPLEMENTS AND INSTRUMENTS.
57	TELEGRAPHIC INSTRUMENTS AND APPARATUS, and parts thereof, imported by or under the orders of a railway company.
	MACHINERY.
58	MACHINERY, namely, prime-movers and component parts thereof, including boilers and component parts thereof; also including locomotive and portable engines, steam-rollers, fire engines, and other machines in which the prime-mover is not separable from the operative parts. MACHINERY (and component parts thereof), meaning machines or sets of machines to be worked by electric, steam, water, fire or other power not being manual or animal labour, or which, before being brought into use, require to be fixed with reference to other moving parts; and including belting of all materials for driving machinery: Provided that the term does not include tools and implements to be worked by manual or animal labour, and provided also that only such articles shall be admitted as component parts of machinery as are indispensable for the working of the machinery and are, owing to their shape or to other special quality, not adapted for any other purpose. *Note.*—This entry includes machinery and component parts thereof made of substances other than metal, but excludes the articles exempted under No. 17, No. 18 and No. 19.
	METALS—IRON AND STEEL.
59	IRON, angle. „ bar, rod and channel, including channel for carriages. „ pig. „ rice bowls.

SCHEDULE II—IMPORT TARIFF.

PART III—*contd.*

Articles which are liable to duty at 2½ per cent. *ad valorem.*

No.	Names of Articles.
60	IRON OR STEEL, anchors and cables.
	,, ,, beams, joists, pillars, girders, screw piles, bridge work and other such descriptions of iron or steel, imported exclusively for building purposes; including also ridging, guttering and continuous roofing.
	,, ,, bolts and nuts, including hook-bolts and nuts for roofing.
	,, ,, hoops and strips.
	,, ,, nails, rivets and washers, all sorts.
	,, ,, pipes and tubes and fittings therefor, such as bends, boots, elbows, tees, sockets, flanges and the like.
	,, ,, rails, chairs, sleepers, bearing and fish-plates, spikes (commonly known as dog-spikes), switches and crossings, other than those described in No. 63, also lever-boxes, clips and tie-bars.
	,, ,, sheets and plates, all sorts excluding discs and circles which are dutiable under No. 104.
	,, ,, wire, including fencing wire and wire-rope, but excluding wire-netting which is dutiable under No. 104.
61	STEEL, angle.
	,, bar, rod, and channel, including channel for carriages.
	,, cast including spring blistered and tub steel.
	,, ingots, blooms, billets and slabs.
	METALS OTHER THAN IRON AND STEEL.
62	LEAD sheets, for tea-chests.
	RAILWAY PLANT AND ROLLING STOCK.
63	RAILWAY MATERIAL for permanent-way and rolling-stock, namely, cylinders, girders, and other material for bridges, rails, sleepers, bearing and fish-plates, fish-bolts, chairs, spikes, crossings, sleeper fastenings, switches, interlocking apparatus, brake gear, couplings and springs, signals, turn-tables, weigh-bridges, engines, tenders, carriages, wagons, traversers, trollies, trucks, and component parts thereof; also the following articles when imported by or under the orders of a railway company, namely, cranes, water cranes, water tanks, and standards, wire and other materials for fencing: Provided that for the purpose of this entry "railway" means a line of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a Native State under the suzerainty of His Majesty, and also such tramways as the Governor General in Council may by notification in the Gazette of India specifically include therein: Provided also that only such articles shall be admitted as component parts of railway material as are indispensable for the working of railways and are, owing to their shape or to other special quality, not adapted for any other purpose.
	MISCELLANEOUS.
64	PRINTING AND LITHOGRAPHING MATERIAL, namely, presses, type, ink, brass rules, composing sticks, chases, imposing tables, and lithographic stones, stereo-blocks, roller moulds, roller frames and stocks, roller composition, standing screw and hot presses, perforating machines, gold blocking presses, stereotyping apparatus, metal furniture, paper folding machines, and paging and numbering machines, but excluding paper (*see* No. 106).
65	RACKS for the withering of tea leaf.
66	SHIPS AND OTHER VESSELS for inland and harbour navigation, including steamers, launches, boats and barges, imported entire or in sections.
67	TEA-CHESTS of metal or wood, whether imported entire or in sections, provided that the Collector of Customs is satisfied that they are imported for the purpose of the packing of tea for transport in bulk.

SCHEDULE II—IMPORT TARIFF.

PART IV.

Articles which are liable to duty at 7½ per cent. *ad valorem*.

No.	Names of Articles.
	I.—Food, Drink and Tobacco—
	FISH.
68	FISH, excluding salted fish (*see* No. 30).
69	FISHMAWS, including singally and sozille, and sharkfins.
	FRUITS AND VEGETABLES.
70	FRUITS AND VEGETABLES, all sorts, fresh, dried, salted or preserved.
	GRAIN, PULSE AND FLOUR.
71	FLOUR.
	PROVISIONS AND OILMAN'S STORES.
72	PROVISIONS AND OILMAN'S STORES AND GROCERIES, all sorts, excluding vinegar in casks (*see* No. 53).
	SPICES.
73	SPICES, all sorts.
	SUGAR.
74	CONFECTIONERY.
	TEA.
75	TEA.
	OTHER FOOD AND DRINK.
76	COFFEE.
77	All other sorts of Food and Drink not otherwise specified.
	II.—Raw materials and produce and articles mainly unmanufactured—
	GUMS, RESINS AND LAC.
78	GUMS, RESINS AND LAC, all sorts.
	METALLIC ORES.
79	METALLIC ORES, all sorts.
	OILS.
80	All sorts of animal, essential, mineral, and vegetable non-essential OILS, excluding petroleum as defined in No. 44, but including— Petroleum which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is proved to the satisfaction of the Collector of Customs to be intended for use exclusively for the batching of jute or other fibre or for lubricating purposes; and Petroleum which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is proved to the satisfaction of the Collector of Customs to be intended for use exclusively as fuel or for some sanitary or hygienic purpose.
	SEEDS.
81	SEEDS, all sorts, excluding oil-seeds imported into British India by sea from the territories of any Native Prince or Chief in India (*see* No. 4).

SCHEDULE II—IMPORT TARIFF.

PART IV—*contd.*

Articles which are liable to duty at 7½ per cent. *ad valorem.*

No.	Names of Articles.
	TALLOW, STEARINE AND WAX.
82	TALLOW AND STEARINE, including grease and animal fat, and WAX of all sorts not otherwise specified.
	TEXTILE MATERIALS.
83	TEXTILE MATERIALS, the following :— Silk waste, and raw silk including cocoons, raw flax, hemp, jute and all other unmanufactured textile materials not otherwise specified.
	WOOD AND TIMBER.
84	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.
	MISCELLANEOUS.
85	CANES AND RATTANS.
86	COWRIES and SHELLS.
87	IVORY, unmanufactured.
88	PRECIOUS STONES AND PEARLS, unset.
89	All other raw materials and produce and articles mainly unmanufactured, not otherwise specified.
	III.—Articles wholly or mainly manufactured—
	APPAREL.
90	APPAREL, including drapery, boots and shoes, and military and other uniforms and accoutrements, but excluding uniforms and accoutrements exempted from duty under No. 9, and silver thread (*see* No. 50).
	ARMS, AMMUNITION AND MILITARY STORES.
91	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roburite, blasting tonite, and all other sorts, including detonators and blasting fuse.
	CARRIAGES AND CARTS.
92	CARRIAGES AND CARTS, including motor cars, motor cycles and motor wagons, bicycles, tricycles, jinrikshas, bath chairs, perambulators, trucks, wheelbarrows, and all other sorts of conveyances and component parts thereof.
	CHEMICALS, DRUGS AND MEDICINES.
93	CHEMICALS, DRUGS AND MEDICINES, all sorts, not otherwise specified.
	CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS.
94	CLOCKS AND WATCHES and parts thereof.
95	CUTLERY.
96	ELECTROPLATED WARE.
97	HARDWARE, IRONMONGERY AND TOOLS, all sorts, not otherwise specified.
98	All other sorts of IMPLEMENTS, INSTRUMENTS, APPARATUS AND APPLIANCES and parts thereof not otherwise specified.
	DYES AND COLOURS.
99	DYEING AND TANNING SUBSTANCES, all sorts, and paints and colours and painters' materials, all sorts.

SCHEDULE II—IMPORT TARIFF.

PART IV—*cont l.*

Articles which are liable to duty at 7½ per cent. *ad valorem.*

No.	Names of Articles.
	FURNITURE, CABINETWARE AND MANUFACTURES OF WOOD.
100	FURNITURE, CABINETWARE and all other manufactures of wood not otherwise specified.
	GLASSWARE AND EARTHENWARE.
101	GLASS AND GLASSWARE, all sorts, Chinese and Japanese ware, lacquered ware, earthenware, china and porcelain.
	HIDES AND SKINS AND LEATHER.
102	HIDES AND SKINS not otherwise specified, LEATHER AND LEATHER MANUFACTURES all sorts, not otherwise specified.
	MACHINERY.
103	MACHINERY and component parts thereof, meaning machines or parts of machines to be worked by manual or animal labour.
	METALS—IRON AND STEEL.
104	All sorts of IRON AND STEEL and manufactures thereof, not otherwise specified.
	METALS OTHER THAN IRON AND STEEL.
105	All sorts of METALS OTHER THAN IRON ANDSTEEL, and manufactures the reof, not otherwise specified.
	PAPER, PASTEBOARD AND STATIONERY.
106	PAPER AND ARTICLES MADE OF PAPER AND PAPIER MACHÉ, PASTEBOARD, MILLBOARD, AND CARDBOARD all sorts, and STATIONERY, including ruled or printed forms and account and manuscript books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter, and other cards, including cards in booklet form, including also wastepaper and old newspapers for packing, but excluding trade catalogues and advertising circulars imported by packet, book, or parcel post (*see* No. 22).
	YARNS AND TEXTILE FABRICS.
107	YARNS AND TEXTILE FABRICS, that is to say :— Flax twist and yarn, and manufactures of flax ; Haberdashery and Millinery ; Hemp-manufactures ; Hosiery, excluding cotton hosiery (*see* No. 51) ; Jute twist and yarn, and jute manufactures, excluding second-hand or used gunny bags (*see* No. 24) ; Silk yarn, noils, and warps, silk thread, silk piece-goods, and other manufactures of silk ; Woollen yarn, knitting wool, and other manufactures of wool including felt ; All other sorts of yarns and textile fabrics, not otherwise specified.

SCHEDULE II—IMPORT TARIFF.

PART IV—*concld.*

Articles which are liable to duty at 7½ per cent. *ad valorem*.

No.	Names of Articles.
	MISCELLANEOUS.
108	ART, works of, excluding those specified in No. 25.
109	BRUSHES AND BROOMS.
110	BUILDING AND ENGINEERING MATERIALS, including asphalt, bricks, cement, chalk and lime, clay, pipes of earthenware, tiles, and all other sorts of building and engineering materials not otherwise specified.
111	CANDLES.
112	CORDAGE AND ROPE AND TWINE OF VEGETABLE FIBRE.
113	FIREWORKS.
114	FURNITURE, TACKLE AND APPAREL, not otherwise described, for steam, sailing, rowing and other vessels.
115	IVORY, manufactured.
116	JEWELLERY AND JEWELS, including gold plate and other manufactures of gold, but excluding silver plate and other manufactures of silver (*see* No. 50).
117	MATCHES.
118	MATS AND MATTING.
119	OILCAKES.
120	OILCLOTH AND FLOOR CLOTH.
121	PACKING—ENGINE AND BOILER—all sorts, excluding packing forming component part of any article included in Nos. 58 and 63.
122	PERFUMERY, excluding perfumed spirits (*see* No. 34).
123	PITCH, TAR AND DAMMER.
124	POLISHES AND COMPOSITIONS.
125	PRINTS, ENGRAVINGS AND PICTURES, including photographs and picture-cards.
126	RUBBER tyres for motors and motor cycles, and rubber tubes for tyres, and other manufactures of rubber, not otherwise specified.
127	SMOKERS' REQUISITES, excluding tobacco (*see* Nos. 40 to 42).
128	SOAP.
129	STARCH AND FARINA.
130	STONE AND MARBLE, and articles made of stone and marble.
131	TOILET REQUISITES, not otherwise specified
132	TOYS, playing cards and requisites for games and sports.
133	UMBRELLAS, including parasols and sunshades, and fittings therefor.
134	All other articles wholly or mainly manufactured, not otherwise specified.
	IV.—Miscellaneous and unclassified—
135	CORAL.
136	FODDER, bran and pollards.
137	All other articles not otherwise specified, including articles imported by post.

SCHEDULE III—EXPORT TARIFF.

No.	Names of Articles.	Per	Rate of duty.
	JUTE, other than Bimlipatam jute.		R A.
1	RAW JUTE—		
	(1) Cuttings . . .	Bale of 400 lbs.	0 10
	(2) Rejections	„ „ „	1 8
	(3) All other descriptions . .	„ „ „	2 4
2	JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings for other goods—		
	(1) Sacking (cloth, bags, twist, yarn, rope and twine).	Ton of 2,240 lbs.	10 0
	(2) Hessians and all other descriptions of jute manufactures not otherwise specified.	„ „ „	16 0
	RICE.		
3	RICE, husked or unhusked, including rice flour, but excluding rice bran and rice dust, which are free.	Indian maund of 82⅔ lbs. avoirdupois weight.	0 3
	TEA.		
4	TEA	100 lbs.	1 8"

SCHEDULE II.

REPEALS.

(See section 5.)

No.	Year.	Short title.	Extent of Repeal.
VIII	1878	The Sea Customs Act, 1878	Section 22 so far as it relates to this Act.
III	1896	The Indian Tariff Act (1894) Amendment Act, 1896.	The whole.
VIII	1910	The Indian Tariff (Amendment) Act, 1910 .	The whole.
VI	1911	The Indian Tariff (Amendment) Act, 1911 .	The whole.
XVII	1914	The Second Repealing and Amending Act, 1914	The entry in the First Schedule regarding the Indian Tariff Act, 1894.

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to revise the Indian Tariff Act of 1894 so as to enable the Government of India to obtain increased revenue from customs duties. It is proposed to raise to 7½ per cent. the general tariff rate of 5 per cent. on imported articles, which has remained unchanged since 1894; to enhance to 2½ per cent. the present privileged rate of one per cent. applicable to certain descriptions of iron and steel, and to impose import duties on a number of articles now free of duty. This will involve a considerable reduction in the articles which now appear in the free list. But, on the other hand, the free list in the new Tariff Schedule will include certain articles which have hitherto been exempted under executive orders only.

2. It is also proposed to make special increases in the duties applicable to arms and ammunition, beer, wines and spirits; cigars and cigarettes and other manufactured tobacco; sugar; silver plate and other silver manufactures

3. The increase in the rate now applicable to arms and ammunition from 10 per cent. *ad valorem* to 20 per cent. is proposed on general and political grounds. It is not intended to alter the existing specific duties on certain items included under this head; but the Import Schedule provides that any article included in these items on which a specific duty is imposed

shall pay, whichever is greater, the specific duty or duty at the rate of 20 per cent. *ad valorem*. The present duty on ale, beer, porter and cider is 3 annas per gallon, and it is proposed to raise this to 4½ annas per gallon. A similar increase in the excise rate on beer produced in India is contemplated. The rates relating to spirits are recast in the Bill, partly to carry out the general policy of enhancement, and partly to avoid certain administrative difficulties which have arisen in connection with the treatment prescribed in 1910 for the assessment of liqueurs, cordials, perfumed spirits and toilet preparations. The rate for potable spirits will be raised to the level of the English rates, and the increase in the rate on denatured spirits follows the analogy of the increase in the general import tariff. It is also proposed to withdraw the preferential rate of R7-13-0 per proof gallon on spirits used in drugs, medicines or chemicals. The quantitative rate on cigars and cigarettes is to be replaced by an *ad valorem* rate of 50 per cent. This will raise to some extent the incidence of taxation on the cheaper and increase it materially on the dearer brands; will remove certain practical difficulties in applying the present quantitative rates and will add to the revenue. An increase in the rate of manufactured tobacco, other sorts, is proposed on the analogy of the increase in the case of cigars. The object of the increased duty on silver plate and other silver manufactures is to remove the present anomalous position under which Indian silversmiths and Indian manufacturers of silver thread and silverware are penalised through having to pay the special rate for silver on the raw material, while the imported manufactured article pays duty at the general 5 per cent. rate.

4. It is also proposed to levy export duties on jute and tea.

5. The Bill will, if passed into law, give effect to the above increases in and modification of the existing duties from the 1st March, the date of its introduction.

6. This opportunity is being used to amend he Tariff and Sea Customs Acts in certain respects where experience has shown that amendment is desirable. In orde- to secure greater flexibility in the fixing of tariff values both in the interests of trade and of Government, tariff values will be omitted from the new Schedules and will in future in all cases be fixed by notification. Power will also be expressly taken to fix different tariff values for different classes or descriptions of the same article. The Import Schedule will also be re-arranged so as to group the different articles separately either in the free list or under the rates of duty to which they are respectively liable, an arrangement which for administrative purposes is more suitable than that pursued hitherto.

W. S. MEYER.

The 23rd February, 1916.

The following Bill was introduced in the Indian Legislative Council on the 1st day of March 1916 :—

No. 4 of 1916.

A Bill further to amend the Indian Income-Tax Act, 1886.

II of 1886. WHEREAS it is expedient further to amend the Indian Income-tax Act, 1886; It is hereby enacted as follows :—

Short title and commencement.

1. (*1*) This Act may be called the Indian Income-tax (Amendment) Act, 1916.

(*2*) It shall come into force on the first day of April, 1916.

II of 1886.

Amendment of section 4, Act II of 1886.

2. In section 4 of the Indian Income-tax Act, 1886 (hereinafter called the said Act), for the figures "1886" the figures "1916" shall be substituted.

Amendment of section 5, Act II of 1886.

3. In section 5, clause (*j*) of the said Act, after the word "any" the words "company or" shall be inserted.

Amendment of section 31, Act II of 1886.

4. To section 31 of the said Act, the following sub-section shall be added, namely :—

"(*3*) Any agreement made in accordance with the provisions of this section shall be determined, as regards any tax not already due thereunder, by any change, subsequent to the making of such agreement, in the rates at which the tax is assessable under Part II or Part IV, as the case may be, with effect from the date on which such change comes into force."

Amendment of section 33, Act II of 1886.

5. In section 33 of the said Act, the words "during or within three months after the end of the year" are hereby repealed.

Amendment of section 38, Act II of 1886.

6. In sub-section (*1*) of section 38 of the said Act, after the word and numeral "Part IV" the following shall be inserted, namely, "for determining the procedure to be followed on applications for refund of the tax chargeable under this Act."

Insertion of new section 39A in Act II of 1886.

7. After section 39 of the said Act, the following section shall be inserted, namely :—

Limitation of claims for refund.

"39A. No claim for refund of tax under this Act shall be allowed, unless it is made within one year from the end of the year to which the claim relates."

8. For the Second Schedule to the said Act, the following Schedule shall be substituted, namely :—

Substitution of new Second Schedule to Act II of 1886.

"THE SECOND SCHEDULE.

SOURCES OF INCOME AND RATES OF TAX.

(*See section 4*)

FIRST COLUMN.	SECOND COLUMN.
Sources of income.	Rate of tax.

PART I.

SALARIES AND PENSIONS.

1. Any salary, annuity, pension or gratuity paid in British India to, or on behalf of, any person residing in British India or serving on board a ship plying to or from British Indian ports, whether on account of himself or another person.

2. Any salary, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf, to or on behalf of a British subject within the dominions of a Prince or State in India in alliance with His Majesty.

(*a*) If the income amounts to Rs. 1,000 per annum, or Rs. 83-5-4 per mensem, but is less than Rs. 2,000 per annum or Rs. 166-10-8 per mensem—four pies in the rupee.

(*b*) If the income amounts to Rs. 2,000 per annum or Rs. 166-10-8 per mensem, but is less than Rs. 5,000 or Rs. 416-10-8 per mensem—five pies in the rupee.

(*c*) If the income amounts to Rs. 5,000 or Rs 416-10-8 per mensem, but is less than Rs. 10,000 or Rs. 833-5-4 per mensem—six pies in the rupee.

(*d*) If the income amounts to Rs. 10,000 or Rs. 833-5-4 per mensem but is less than Rs 25,000 or Rs. 2,083-5-4 per mensem—nine pies in the rupee.

(*e*) If the income amounts to Rs. 25,000 or Rs. 2,083-5-4 per mensem or upwards—one anna in the rupee

PART II

PROFITS OF COMPANIES.

Profits of a company

One anna in the rupee on the whole of the net profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then on the whole of the net profits so made during the year ending on the said thirty-first day of March :

Provided that a shareholder in the company who satisfies the Collector that his annual income from all sources in the income-tax year last preceding that in which his share of such profits was received, was less than any one, as the case may be, of the amounts tabulated below, shall be entitled to a refund, calculated on any dividend paid him by the company in regard to the profits made during the period mentioned in the first clause at the rates specified against each such amount, namely :—

Amount.	Refund.
1. Less than Rs. 1,000.	One anna in the rupee.
2. Rs 1,000 or upwards but less than Rs 2,000.	Eight pies in the rupee.
3. Rs. 2,000 or upwards but less than Rs. 5,000.	Seven pies in the rupee.
4. Rs. 5,000 or upwards but less than Rs. 10,000.	Six pies in the rupee.
5. Rs. 10,000 or upwards but less than Rs. 25,000.	Three pies in the rupee.

THE SECOND SCHEDULE—*contd.*

FIRST COLUMN.	SECOND COLUMN.
Sources of income.	Rate of tax.

PART III.

INTEREST ON SECURITIES.

Interest becoming due on or after the first day of April, 1916, and payable in British India, on—

(*a*) promissory notes, debentures, stock or other securities of the Government of India (including securities of the Government of India whereon interest is payable out of British India by draft on any place in British India), or

(*b*) debentures or other securities for money issued by or on behalf of a local authority or company.

One anna in the rupee on such interest :

Provided that, if the owner of the security satisfies the Collector that his annual income from all sources in the income-tax year last preceding that in which the interest is paid was less than any one, as the case may be, of the amounts tabulated below he shall be entitled to a refund, calculated on any such interest, at the rates specified against each such amount, namely :—

Amount.	Refund.
1. Less than Rs. 1,000.	One anna in the rupee.
2. Rs 1,000 or upwards but less than Rs. 2,000.	Eight pies in the rupee.
3. Rs. 2,000 or upwards but less than Rs. 5,000.	Seven pies in the rupee.
4. Rs. 5,000 or upwards but less than Rs 10,000.	Six pies in the rupee.
5. Rs. 10,000 or upwards but less than Rs. 25,000.	Three pies in the rupee.

PART IV.

OTHER SOURCES OF INCOME.

Any source of income not included in Part I, Part II or Part III of this Schedule.

(*a*) If the annual income is assessed at—
not less than Rs. 1,000 but less than Rs. 1,250, the tax shall be Rs. 20;
not less than Rs. 1,250 but less than Rs. 1,500, the tax shall be Rs. 28;
not less than Rs. 1,500 but less than Rs. 1,750, the tax shall be Rs. 35;
not less than Rs. 1,750 but less than Rs. 2,000, the tax shall be Rs. 42.

(*b*) If the annual income is assessed at Rs. 2,000, or upwards but is less than Rs. 5,000—five pies in the rupee.

(*c*) If the annual income is assessed at Rs. 5,000 or upwards but is less than Rs. 10,000—six pies in the rupee.

(*d*) If the annual income is assessed at Rs 10,000 or upwards but is less than Rs. 25,000 —nine pies in the rupee.

(*e*) If the annual income is assessed at Rs. 25,000 or upwards—one anna in the rupee."

9. Sub-sections (3) and (4) of section 2 of the Indian Income-tax (Amendment) Act, 1903, are hereby repealed.

Repeal of sub-sections (3) and (4) of section 2 of Act XI of 1903.

XI of 1903.

STATEMENT OF OBJECTS AND REASONS.

This Bill proposes to amend the Indian Income Tax Act, 1886 (Act II of 1886), with a view to obtaining additional revenue by means of a graduated scale of taxation applicable to all income, the tax on which has not actually become due by the 1st April 1916.

Existing exemptions and incomes below Rs. 5,000 will be left untouched; but it is proposed that larger incomes under Parts I and IV should pay six pies in the rupee if less than Rs. 10,000; nine pies in the rupee if not less than Rs. 10,000 but less than Rs. 25,000; and one anna in the rupee if amounting to Rs. 25,000 or more.

Income falling under Part II of the Second Schedule of the existing Act, that is, profits of companies, will be taxed at one anna in the rupee if the company's taxable profits in the year are not less than Rl,000. Income falling under Part III, that is, interest on securities, will also be taxed in the first instance at the one-anna rate. But in both cases individual shareholders or holders of securities will be granted abatement on the tax paid or complete exemption, as the case may be, if their total income of all kinds falls below one of the limits set forth in the graduated scale.

Clause 3 of the Bill provides for the exemption of profits of companies when these amount to less than Rs. 1,000 in the year. This follows the correct construction of the law as it stands at present, but it is considered desirable to insert an explicit provision to this effect.

Clause 4 of the Bill provides for the determination of compositions effected under section 31 of the existing Act when new rates of taxation come into operation, and is stated for possible future convenience in a permanent or general form.

The rules of assessment under Parts II and III of the amended Schedule prescribed in clause 8 provide for the grant of the personal abatements and exemptions, already mentioned, by a system of refunds. The amount of the refund admissible will be determined, for the convenience of the taxpayer himself as well as of the Administration, with reference to the total income of the preceding year. As the refund system, which the present Act only provides for expressly in cases falling under section 33, will thus assume increased importance, it is thought desirable, as in clause 6 of the Bill, to provide for power to make rules for determining the procedure to be followed on applications for refunds, and, as in clause 7, to apply a general time limit of one year to all refund claims, in lieu of the period of three months at present specifically prescribed for cases falling under section 33 of the existing Act.

W. S. MEYER.

The 22nd February, 1916.

The following Report of the Select Committee on the Bill to amend the Indian Tariff Act, 1894, and for other purposes, was presented to the Indian Legislative Council on the 7th March, 1916 :—

WE, the undersigned, Members of the Select Committee to which the Bill to amend the Indian Tariff Act, 1894, and for other purposes, was referred have considered the Bill and have now the honour to submit this our report, with the Bill as amended by us annexed thereto.

2. The Hon'ble Sir Ibrahim Rahimtoola proposed that the duty payable under item 51, Cotton Piecegoods, in part 2 of the new Schedule II (Import Tariff), inserted by the Bill should be raised from 3½ per cent. to 6 per cent. The Hon'ble the Finance Member expressed his inability to accept this proposal on the ground that he was precluded from doing so by the pronouncement on the subject by His Majesty's Government. After discussion the majority of the Committee expressed themselves as against any change and the existing provision was retained in the Bill.

3. With reference to item 63 of part 3 of the same Schedule, the Hon'ble Mr. Stewart proposed that railway material which had been ordered prior to the date this legislation will come into force should be free. After discussion this proposal was not adopted.

4. In considering Schedule III, in so far as it relates to Jute, we had the advantage of consulting Mr. Birkmyre, who attended the Select Committee as an expert witness. He explained in answer to questions by members of the Committee that the discrimination made in item 1 relating to Raw Jute as regards "rejections" was likely to be a source of difficulty, and after considering the point we decided that this classification should be omitted from the Bill and that "rejections" should be included in sub-head 3—"All other descriptions"—and pay duty at the rate for that class. We have accordingly renumbered the sub-heads of this item.

5. The Hon'ble Mr. Stewart laid before us the view that the present state of the Tea industry was not such as to justify the imposition of the export duty imposed by item 4 of the same schedule. The Hon'ble Sir William Meyer expressed his inability to agree in this view and after discussion we decided to retain the existing provision in the Bill.

6. The Bill was published in the Gazette of India, in English, of the 4th March, 1916.

7. We think that the Bill has not been so altered as to require republication, and we recommend that it be passed as now amended.

W. S. MEYER.
W. H. CLARK.
G. R. LOWNDES.
*IBRAHIM RAHIMTOOLA.
RAMA RAYANINGAR.
SITA NATH RAY.
J. B. BRUNYATE.
P. R. T. GURDON.
C. E. LOW.
F. H. STEWART.
T. W. BIRKETT.

DELHI:
The 6th March, 1916.

*In view of paragraph 2 of the Report, I cannot join in the recommendation contained in paragraph 7.

IBRAHIM RAHIMTOOLA.

The following Report of the Select Committee on the Bill further to amend the Indian Income-tax Act, 1886, was presented to the Indian Legislative Council on the 7th March, 1916:—

WE, the undersigned, Members of the Select Committee to which the Bill further to amend the Indian Income-tax Act, 1886, was referred, have considered the Bill, and have now the honour to submit this our Report, with the Bill as amended by us, annexed thereto.

2. Some of our body raised the question whether it would not be possible to reduce the maximum tax payable from one anna to ten pies in the rupee; but, after discussion, the proposal was abandoned.

3. The only changes we have made in the Bill, as introduced, are two small alterations in its drafting.

4. The Bill was published in the Gazette of India in English on the 4th March, 1916.

5. We think that the Bill has not been so altered as to require re-publication, and we recommend that it be passed as now amended.

W. S. MEYER.
G. R. LOWNDES.
*G. M. CHITNAVIS.
FAZULBHOY CURRIMBHOY.
RAI SITA NATH RAY.
J. B. BRUNYATE.
W. H. COBB.
R. E. V. ARBUTHNOT.
MIAN MUHAMMMAD SHAFI.
T. W. BIRKETT.
LIONEL DAVIDSON.

DELHI;
The 4th March, 1916.

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*NOTE.

I sign the report subject to the note that one other point was raised in Select Committee, suggesting that the minimum assessable income should be raised from Rs. 1,000 to Rs. 1,200, but it was not thought prudent to press it in view of the financial difficulties of Government which have necessitated this legislation.

G. M. CHITNAVIS.

* The following Act of the Indian Legislative Council received the assent of the Governor General on the 8th March, 1916, and is hereby promulgated for general information :—

Act No. IV of 1916.

An Act to amend the Indian Tariff Act, 1894, and for other purposes.

VIII of 1894. VIII of 1878. WHEREAS it is expedient to amend the Indian Tariff Act, 1894, and to repeal so far as it relates to this Act, and re-enact with amendments section 22 of the Sea Customs Act, 1878; It is hereby enacted as follows :—

Short title and retrospective effect.

1. (*1*) This Act may be called the Indian Tariff (Amendment) Act, 1916.

(*2*) It shall be deemed to have come into force on the 1st day of March, 1916, and any sums due on account of new duties leviable thereunder or of any deficiency between the duties which have been paid and the duties which are leviable thereunder shall be deemed to VIII of 1878. be duties short levied within the meaning of section 39 of the Sea Customs Act, 1878, and that Act shall apply accordingly.

VIII of 1894.

2. In this Act the Indian Tariff Act, 1894 (hereinafter referred to as the said Act), means the Indian Tariff Act, 1894, as subsequently amended.

Definition.

Substitution of new section 3 in Act VIII of 1894.

3. For section 3 of the said Act, the following section shall be substituted, namely :—

"3. (*1*) There shall be levied and collected in every port to which this Act applies the duties specified in the Second and Third Schedules.

(*2*) The Governor General in Council may, by notification in the Gazette of India, fix, for the purpose of levying the said duties, tariff values of any articles enumerated, either specifically or under general headings, in the said Schedules as chargeable with duty *ad valorem*, and may alter any tariff values for the time being in force.

(*3*) Different tariff values may be fixed for different classes or descriptions of the same article."

Substitution of new Schedules for Schedules II, III, IV and V of Act VIII of 1894.

4. For the Second, Third, Fourth and Fifth Schedules of the said Act, the Schedules contained in the First Schedule to this Act shall be substituted.

Repeals.

5. The enactments specified in the Second Schedule to this Act are repealed to the extent specified in the fourth column thereof.

SCHEDULE I.

SCHEDULES TO BE SUBSTITUTED IN THE INDIAN TARIFF ACT, 1894.

(*See section 4.*)

"SCHEDULE II—IMPORT TARIFF.

PART I.

Articles which are free of duty.

No.	Names of Articles.
	I.—Food, Drink and Tobacco—
1	HOPS.
2	SALT imported into British India and issued, in accordance with rules made with the previous sanction of the Governor General in Council, for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Government of Bengal to manufacturers of glazed stone-ware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Governor General in Council, for use in curing fish in those provinces. (For the general duty on salt, see No. 39.)

SCHEDULE II—IMPORT TARIFF.

PART I—*contd.*

Articles which are free of duty.

No.	Names of Articles.
	II.—Raw materials and produce and articles mainly unmanufactured—
	HIDES AND SKINS, RAW.
3	HIDES AND SKINS, raw or salted.
	SEEDS.
4	OIL-SEEDS imported into British India by sea from the territories of any Native Prince or Chief in India.
	TEXTILE MATERIALS.
5	COTTON, raw.
6	WOOL, raw.
	MISCELLANEOUS.
7	MANURES, all sorts, including animal bones and the following chemical manures :—Basic slag, nitrate of soda, muriate of potash, sulphate of potash, kainit salts, nitrate of lime, calcium cyanamide and mineral superphosphates.
8	PULP OF WOOD, RAGS and other paper-making materials.
	III.—Articles wholly or mainly manufactured—
	APPAREL.
9	UNIFORMS AND ACCOUTREMENTS appertaining thereto, imported by a public servant for his personal use.
	ARMS, AMMUNITION AND MILITARY STORES.
10	The following classes of ARMS, AMMUNITION AND MILITARY STORES :—
	(*a*) Articles falling under the 5th, 6th, 8th, 9th or 10th item of No. 45, when they appertain to a firearm falling under the 1st or 3rd item and are fitted into the same case with such firearm.
	(*b*) Arms forming part of the regular equipment of an officer entitled to wear diplomatic, military, naval or police uniform.
	(*c*) A sword, a revolver, or a pair of pistols, when accompanying an officer of His Majesty's regular forces, or a commissioned officer of a volunteer corps, or certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving, to be imported by the officer for the purpose of his equipment.
	(*d*) Swords and revolvers which are certified by an Inspector-General of Police to be part of the ordinary equipment of members of the Police force under his charge.
	(*e*) Swords forming part of the equipment of Indian commissioned officers of His Majesty's Army.
	(*f*) Swords for presentation as army or volunteer prizes.
	(*g*) Arms, ammunition, and military stores imported with the sanction of the Government of India for the use of any portion of the military forces of a Native State in India which may be maintained and organized for Imperial Service.
	(*h*) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.
	CHEMICALS, DRUGS AND MEDICINES.
11	ANTI-PLAGUE SERUM.
12	QUININE and other alkaloids of cinchona.

SCHEDULE II—IMPORT TARIFF.

PART I—*concld.*

Articles which are free of duty.

No.	Names of Articles.
	HARDWARE, IMPLEMENTS AND INSTRUMENTS.
13	The following AGRICULTURAL IMPLEMENTS, when constructed so that they can be worked by manual or animal power, namely, winnowers, threshers, mowing and reaping machines, elevators, seed-crushers, chaff-cutters, root-cutters, horse and bullock gears, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, and rakes.
14	The following DAIRY APPLIANCES, when constructed so that they can be worked by manual or animal power, namely, cream separators, milk sterilizing or pasteurizing plant, milk aërating and cooling apparatus, churns, butter dryers, and butter workers.
15	INSTRUMENTS, APPARATUS and APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.
16	WATER-LIFTS, SUGAR-MILLS, OIL-PRESSES, and parts thereof, when constructed so that they can be worked by manual or animal power.
	MACHINERY.
17	MACHINERY AND COMPONENT parts thereof as defined in No. 58 imported by the owner of a cotton spinning or weaving mill and proved to the satisfaction of the Collector of Customs to be intended for use in a cotton spinning or weaving mill.
18	The following ARTICLES used in the manufacture of cotton, namely, bobbins (warping), forks for looms, healds, heald cords, heald knitting needles, laces, lags and needles for dobbies, pickers (buffalo and others), picking bands, picking levers, picking sticks (over and under), reed pliers, reeds, shuttles (for power looms), springs for looms, strappings, and weft forks.
19	DRAWING-IN-FRAMES imported by the owner of a cotton weaving mill and proved to the satisfaction of the Collector of Customs to be intended for use in the weaving of cotton.
	METALS.
20	CURRENT SILVER, NICKEL, BRONZE, AND COPPER COIN of the Government of India.
21	GOLD BULLION and coin.
	PAPER.
22	TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book, or parcel post.
	YARNS AND TEXTILE FABRICS.
23	COTTON TWIST AND YARN, and COTTON SEWING OR DARNING THREAD.
24	SECOND-HAND OR USED GUNNY BAGS made of jute.
	MISCELLANEOUS.
25	ART, the following works of :—(1) statuary and pictures intended to be put up for the public benefit in a public place, and (2) memorials of a public character intended to be put up in a public place, including the materials used, or to be used in their construction, whether worked or not.
26	BOOKS, printed, including covers for printed books, maps, charts, and plans, proofs, music and manuscripts.
27	The following articles, when imported by the owner of a cotton weaving mill and proved to the satisfaction of the Collector of Customs to be intended for use in the weaving of cotton or the baling of woven cotton goods :— Aniline blue, bisulphate of soda, China clay, chloride of magnesium, chloride of zinc, dressalin, Epsom salts, farina, Farinina, flannel taping, Glauber salts, glutina, glycerine substitutes, heald varnish, hoop iron, hoop steel, rivets for bales, sewing needles, sizing paste, sizing wax, soda ash, starch, velvet pulp.
	IV.—Miscellaneous and unclassified—
28	ANIMALS, living, all sorts.
29	SPECIMENS ILLUSTRATIVE OF NATURAL SCIENCE, including also antique coins and medals.

SCHEDULE II—IMPORT TARIFF.

PART II.

Articles which are liable to duty at special rates.

No.	Names of Articles.	Unit or method of assessment.	Rate of duty.
	I.—Food, Drink and Tobacco—		R A.
	FISH.		
30	FISH, SALTED, wet or dry . . .	Indian maund of 82⅔ lbs. avoirdupois weight.	Such rate or rates of duty not exceeding twelve annas as the Governor General in Council may, by notification in the Gazette of India, from time to time prescribe.
	LIQUORS.		
31	ALE, Beer and Porter	Imperial gallon or 6 quart bottles.	Four annas and six pies.
32	CIDER and other fermented liquors .	Ditto.	Ditto.
33	SPIRIT, which has been rendered effectually and permanently unfit for human consumption	*Ad valorem* . .	7½ per cent.
34	PERFUMED SPIRITS	Imperial gallon or 6 quart bottles.	18 12
35	LIQUEURS, Cordials, Mixtures and other preparations containing spirit—		
	(*a*) Entered in such a manner as to indicate that the strength is not to be tested.	Ditto.	14 10
	(*b*) If tested	Imperial gallon or 6 quart bottles of the strength of London proof.	11 4 and the duty to be increased or reduced in proportion as the strength of the spirit exceeds or is less than London proof.
36	All other sorts of SPIRIT . . .	Ditto.	Ditto.
37	WINES—		
	Champagne and all other sparkling wines not containing more than 42 per cent. of proof spirit.	Imperial gallon or 6 quart bottles.	4 8
	All other sorts of wines not containing more than 42 per cent of proof spirit :	Ditto.	1 12
	Provided that all sparkling and still wines containing more than 42 per cent. of proof spirit shall be liable to duty at the rate applicable to 'All other sorts of Spirit.'		
	SUGAR.		
38	SUGAR, all sorts, including Molasses and Saccharine produce of all sorts, but excluding confectionery (see No. 74).	*Ad valorem.*	10 per cent.
	OTHER FOOD AND DRINK.—		
39	SALT, excluding salt exempted under No. 2.	Indian maund of 82⅔ lbs. avoirdupois weight.	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place.
	TOBACCO.		
40	TOBACCO, unmanufactured . . .	Pound.	1 0
41	CIGARS AND CIGARETTES . . .	*Ad valorem.*	50 per cent.
42	All other sorts of TOBACCO manufactured	Pound.	1 8

SCHEDULE II—IMPORT TARIFF.

PART II—*contd.*

Articles which are liable to duty at special rates.

No.	Names of Articles.	Unit or method of assessment.	Rate of duty.	
	II.—Raw materials and produce and articles mainly unmanufactured—		R A.	
	COAL, COKE AND PATENT FUEL.			
43	COAL, COKE AND PATENT FUEL . .	Ton.	0 8	
	OILS.			
44	PETROLEUM, including also naphtha and the liquids commonly known by the names of rock-oil, Rangoon oil, Burma oil, kerosine, paraffin oil, mineral oil. petroline, gasoline, benzol, benzoline, benzine, and any inflammable liquid which is made from petroleum, coal, schist, shale, peat or any other bituminous substance, or from any products of petroleum, but excluding the following classes of petroleum :— Petroleum which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer and is proved to the satisfaction of the Collector of Customs to be intended for use exclusively for the batching of jute or other fibre, or for lubricating purposes. Petroleum which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer and is proved to the satisfaction of the Collector of Customs to be intended for use exclusively as fuel or for some sanitary or hygienic purpose (*see* No. 80).	Imperial gallon.	One anna and six pies.	
	III.—Articles wholly or mainly manufactured—			
	ARMS, AMMUNITION AND MILITARY STORES.			
	Subject to the exemptions specified in No. 10—			
	(1) Firearms other than pistols, including gas and air-guns and rifles.	Each	50 0	or 20 per cent. *ad valorem* whichever is higher.
	(2) Barrels for the same, whether single or double.	„	30 0	
	(3) Pistols	„	15 0	
	(4) Barrels for the same, whether single or double.	„	10 0	
	(5) Main springs and magazine springs for firearms, including gas guns and rifles.	„	8 0	
	(6) Gun stocks and breech blocks .	„	5 0	
	(7) Revolver-cylinders, for each cartridge they will carry.	„	2 8	
	(8) Actions (including skeleton and waster), breech bolts and their heads, cocking pieces, and locks (for muzzle-loading arms).	„	1 8	
	(9) Machines for making, loading, or closing cartridges for rifled arms.	„	10 0	
	(10) Machines for capping cartridges for rifled arms.	„	2 8	
			Proviso 1.—No duty in excess of 20 per cent. *ad valorem* shall be levied upon any of the articles specified in items Nos. 1 to 10 of this entry when they are imported in reasonable quantity, for his own private use, by any person lawfully entitled to possess the same.	

SCHEDULE II—IMPORT TARIFF.

PART II—*concld.*

Articles which are liable to duty at special rates.

No.	Names of Articles.	Unit or method of assessment.	Rate of duty.
			R A.
			Proviso 2.—When any articles which have been otherwise imported, and upon which duty has been levied or is leviable under items Nos. 1 to 10, are purchased retail from the importer by a person lawfully entitled as aforesaid, in reasonable quantity for his own private use, the importer may apply to the Collector of Customs for refund or remission (as the case may be) of so much of the duty thereon as is in excess of 20 per cent. *ad valorem*; and if such Collector is satisfied as to the identity of the articles and that such importer is in other respects entitled to such refund or remission, he shall grant the same accordingly.
46	GUNPOWDER for cannons, rifles, guns, pistols and sporting purposes.	*Ad valorem*	20 per cent.
47	Subject to the exemptions specified in No. 10 all articles other than those specified in entry No. 45 which are ARMS OR PARTS OF ARMS within the meaning of the Indian Arms Act (excluding springs used for air-guns which are dutiable as hardware, under No. 97), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Governor General in Council may, by notification in the Gazette of India, declare to be ammunition or military stores for the purposes of this Act.	*Ad valorem*	20 per cent.
	CHEMICALS, DRUGS AND MEDICINES.		
48	OPIUM and its alkaloids	Seer of 80 tolas	24 0
	METALS.		
49	SILVER, BULLION OR COIN, not otherwise specified (*see* Nos. 20 and 29).	Ounce	0 4
50	SILVER PLATE, silver thread and wire, and silver manufactures, all sorts.	*Ad valorem*	15 per cent. Provided that, where the silver contained in an article can be ascertained or where an official or recognized certificate of assay in such form as the Government of India may prescribe, is presented showing the amount of silver contained in an article, the Collector of Customs shall levy duty at the rate of 4 annas per ounce on the amount of silver so determined, and at the rate of 7½ per cent. on the difference between the value of such silver calculated at the market value of silver and the real value of the article.
	TEXTILE FABRICS.		
51	COTTON piece goods, hosiery, thread other than sewing or darning thread and all other manufactured cotton goods not otherwise specified.	*Ad valorem*	3½ per cent.

SCHEDULE II—IMPORT TARIFF.

PART III.

Articles which are liable to duty at 2½ per cent. *ad valorem*.

No.	Names of Articles.
	I.—Food, Drink and Tobacco—
	GRAIN, PULSE AND FLOUR.
52	GRAIN AND PULSE, all sorts, including broken grain and pulse, but excluding flour (*see* No. 71).
	PROVISIONS AND OILMAN'S STORES.
53	VINEGAR in casks.
	II.—Raw materials and produce and articles mainly unmanufactured—
	METALLIC ORES AND SCRAP IRON OR STEEL FOR RE-MANUFACTURE.
54	IRON OR STEEL, old.
	WOOD AND TIMBER.
55	FIREWOOD.
	III.—Articles wholly or mainly manufactured—
	CHEMICALS, DRUGS AND MEDICINES.
56	COPPERAS, green.
	HARDWARE, IMPLEMENTS AND INSTRUMENTS.
57	TELEGRAPHIC INSTRUMENTS AND APPARATUS, and parts thereof, imported by or under the orders of a railway company.
	MACHINERY.
58	MACHINERY, namely, prime-movers and component parts thereof, including boilers and component parts thereof; also including locomotive and portable engines, steam-rollers, fire engines, and other machines in which the prime-mover is not separable from the operative parts. MACHINERY (and component parts thereof), meaning machines or sets of machines to be worked by electric, steam, water, fire or other power not being manual or animal labour, or which, before being brought into use, require to be fixed with reference to other moving parts; and including belting of all materials for driving machinery: Provided that the term does not include tools and implements to be worked by manual or animal labour, and provided also that only such articles shall be admitted as component parts of machinery as are indispensable for the working of the machinery and are, owing to their shape or to other special quality, not adapted for any other purpose. *Note.*—This entry includes machinery and component parts thereof made of substances other than metal, but excludes the articles exempted under No. 17, No. 18 and No. 19.
	METALS—IRON AND STEEL.
59	IRON, angle. „ bar, rod and channel, including channel for carriages. „ pig. „ rice bowls.

SCHEDULE II—IMPORT TARIFF.

PART III—*concld.*

Articles which are liable to duty at 2½ per cent. *ad valorem*.

No.	Names of Articles.
60	IRON OR STEEL, anchors and cables.
	„ „ beams, joists, pillars, girders, screw piles, bridge work and other such descriptions of iron or steel, imported exclusively for building purposes; including also ridging, guttering and continuous roofing.
	„ „ bolts and nuts, including hook-bolts and nuts for roofing.
	„ „ hoops and strips.
	„ „ nails, rivets and washers, all sorts.
	„ „ pipes and tubes and fittings therefor, such as bends, boots, elbows, tees, sockets, flanges and the like.
	„ „ rails, chairs, sleepers, bearing and fish-plates, spikes (commonly known as dog-spikes), switches and crossings, other than those described in No. 63, also lever-boxes, clips and tie-bars.
	„ „ sheets and plates, all sorts excluding discs and circles which are dutiable under No. 104.
	„ „ wire, including fencing wire and wire-rope, but excluding wire-netting which is dutiable under No. 104.
61	STEEL, angle.
	„ bar, rod, and channel, including channel for carriages.
	„ cast including spring blistered and tub steel.
	„ ingots, blooms, billets and slabs.
	METALS OTHER THAN IRON AND STEEL.
62	LEAD sheets, for tea-chests.
	RAILWAY PLANT AND ROLLING STOCK.
63	RAILWAY MATERIAL for permanent-way and rolling-stock, namely, cylinders, girders, and other material for bridges, rails, sleepers, bearing and fish-plates, fish-bolts, chairs, spikes, crossings, sleeper fastenings, switches, interlocking apparatus, brake gear, couplings and springs, signals, turn-tables, weigh-bridges, engines, tenders, carriages, wagons, traversers, trollies, trucks, and component parts thereof; also the following articles when imported by or under the orders of a railway company, namely, cranes, water cranes, water tanks, and standards, wire and other materials for fencing: Provided that for the purpose of this entry "railway" means a line of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a Native State under the suzerainty of His Majesty, and also such tramways as the Governor General in Council may by notification in the Gazette of India specifically include therein: Provided also that only such articles shall be admitted as component parts of railway material as are indispensable for the working of railways and are, owing to their shape or to other special quality, not adapted for any other purpose.
	MISCELLANEOUS.
64	PRINTING AND LITHOGRAPHING MATERIAL, namely, presses, type, ink, brass rules, composing sticks, chases, imposing tables, and lithographic stones, stereo-blocks, roller moulds, roller frames and stocks, roller composition, standing screw and hot presses, perforating machines, gold blocking presses, stereotyping apparatus, metal furniture, paper folding machines, and paging and numbering machines, but excluding paper (*see* No. 106).
65	RACKS for the withering of tea leaf.
66	SHIPS AND OTHER VESSELS for inland and harbour navigation, including steamers, launches, boats and barges, imported entire or in sections.
67	TEA-CHESTS of metal or wood, whether imported entire or in sections, provided that the Collector of Customs is satisfied that they are imported for the purpose of the packing of tea for transport in bulk.

SCHEDULE II—IMPORT TARIFF.

PART IV.

Articles which are liable to duty at 7½ per cent. *ad valorem*.

No.	Names of Articles.
	I.—Food, Drink and Tobacco—
	FISH.
68	FISH, excluding salted fish (*see* No. 30).
69	FISHMAWS, including singally and sozille, and sharkfins.
	FRUITS AND VEGETABLES.
70	FRUITS AND VEGETABLES, all sorts, fresh, dried, salted or preserved.
	GRAIN, PULSE AND FLOUR.
71	FLOUR.
	PROVISIONS AND OILMAN'S STORES.
72	PROVISIONS AND OILMAN'S STORES AND GROCERIES, all sorts, excluding vinegar in casks (*see* No. 53).
	SPICES.
73	SPICES, all sorts.
	SUGAR.
74	CONFECTIONERY.
	TEA.
75	TEA.
	OTHER FOOD AND DRINK.
76	COFFEE.
77	All other sorts of Food and Drink not otherwise specified.
	II.—Raw materials and produce and articles mainly unmanufactured—
	GUMS, RESINS AND LAC.
78	GUMS, RESINS AND LAC, all sorts.
	METALLIC ORES.
79	METALLIC ORES, all sorts.
	OILS.
80	All sorts of animal, essential, mineral, and vegetable non-essential OILS, excluding petroleum as defined in No. 44, but including— Petroleum which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is proved to the satisfaction of the Collector of Customs to be intended for use exclusively for the batching of jute or other fibre or for lubricating purposes; and Petroleum which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is proved to the satisfaction of the Collector of Customs to be intended for use exclusively as fuel or for some sanitary or hygienic purpose.
	SEEDS.
81	SEEDS, all sorts, excluding oil-seeds imported into British India by sea from the territories of any Native Prince or Chief in India (*see* No. 4)
	TALLOW, STEARINE AND WAX.
82	TALLOW AND STEARINE, including grease and animal fat, and WAX of all sorts, not otherwise specified.
	TEXTILE MATERIALS.
83	TEXTILE MATERIALS, the following:— Silk waste, and raw silk including cocoons, raw flax, hemp, jute and all other unmanufactured textile materials, not otherwise specified.

SCHEDULE II—IMPORT TARIFF.

PART IV—*contd.*

Articles which are liable to duty at 7½ per cent. *ad valorem.*

No.	Names of Articles.
	WOOD AND TIMBER.
84	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.
	MISCELLANEOUS.
85	CANES AND RATTANS.
86	COWRIES and SHELLS.
87	IVORY, unmanufactured.
88	PRECIOUS STONES AND PEARLS, unset.
89	All other raw materials and produce and articles mainly unmanufactured, not otherwise specified.
	III.—Articles wholly or mainly manufactured—
	APPAREL.
90	APPAREL, including drapery, boots and shoes, and military and other uniforms and accoutrements, but excluding uniforms and accoutrements exempted from duty under No. 9, and silver thread (*see* No. 59).
	ARMS, AMMUNITION AND MILITARY STORES.
91	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roburite, blasting tonite, and all other sorts, including detonators and blasting fuse.
	CARRIAGES AND CARTS.
92	CARRIAGES AND CARTS, including motor cars, motor cycles and motor wagons, bicycles, tricycles, jinrikshas, bath chairs, perambulators, trucks, wheelbarrows, and all other sorts of conveyances and component parts thereof.
	CHEMICALS, DRUGS AND MEDICINES.
93	CHEMICALS, DRUGS AND MEDICINES, all sorts, not otherwise specified.
	CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS.
94	CLOCKS AND WATCHES, and parts thereof.
95	CUTLERY.
96	ELECTROPLATED WARE.
97	HARDWARE, IRONMONGERY AND TOOLS, all sorts, not otherwise specified.
98	All other sorts of IMPLEMENTS, INSTRUMENTS, APPARATUS AND APPLIANCES, and parts thereof, not otherwise specified.
	DYES AND COLOURS.
99	DYEING AND TANNING SUBSTANCES, all sorts, and paints and colours and painters' materials, all sorts.
	FURNITURE, CABINETWARE AND MANUFACTURES OF WOOD.
100	FURNITURE, CABINETWARE, and all other manufactures of wood, not otherwise specified.
	GLASSWARE AND EARTHENWARE.
101	GLASS AND GLASSWARE, all sorts, Chinese and Japanese ware, lacquered ware, earthenware, china and porcelain.
	HIDES AND SKINS AND LEATHER.
102	HIDES AND SKINS, not otherwise specified, LEATHER AND LEATHER MANUFACTURES all sorts, not otherwise specified.

SCHEDULE II—IMPORT TARIFF.

PART IV—*contd.*

Articles which are liable to duty at 7½ per cent. *ad valorem.*

No.	Names of Articles.
	MACHINERY.
103	MACHINERY and component parts thereof, meaning machines or parts of machines to be worked by manual or animal labour.
	METALS—IRON AND STEEL.
104	All sorts of IRON AND STEEL and manufactures thereof, not otherwise specified.
	METALS OTHER THAN IRON AND STEEL.
105	All sorts of METALS OTHER THAN IRON AND STEEL, and manufactures thereof, not otherwise specified.
	PAPER, PASTEBOARD AND STATIONERY.
106	PAPER AND ARTICLES MADE OF PAPER AND PAPIER MACHÉ, PASTEBOARD, MILLBOARD, AND CARDBOARD all sorts, and STATIONERY, including ruled or printed forms and account and manuscript books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter, and other cards, including cards in booklet form, including also wastepaper and old newspapers for packing, but excluding trade catalogues and advertising circulars imported by packet, book, or parcel post (*see* No. 22).
	YARNS AND TEXTILE FABRICS.
107	YARNS AND TEXTILE FABRICS, that is to say :— Flax twist and yarn, and manufactures of flax ; Haberdashery and Millinery ; Hemp manufactures ; Hosiery, excluding cotton hosiery (*see* No. 51) ; Jute twist and yarn, and jute manufactures, excluding second-hand or used gunny bags (*see* No. 24) ; Silk yarn, noils, and warps, silk thread, silk piece-goods, and other manufactures of silk ; Woollen yarn, knitting wool, and other manufactures of wool including felt ; All other sorts of yarns and textile fabrics, not otherwise specified.
	MISCELLANEOUS.
108	ART, works of, excluding those specified in No. 25.
109	BRUSHES AND BROOMS.
110	BUILDING AND ENGINEERING MATERIALS, including asphalt, bricks, cement, chalk and lime, clay, pipes of earthenware, tiles, and all other sorts of building and engineering materials, not otherwise specified.
111	CANDLES.
112	CORDAGE AND ROPE AND TWINE OF VEGETABLE FIBRE.
113	FIREWORKS.
114	FURNITURE, TACKLE AND APPAREL, not otherwise described, for steam, sailing, rowing and other vessels.
115	IVORY, manufactured.
116	JEWELLERY AND JEWELS, including gold plate and other manufactures of gold, but excluding silver plate and other manufactures of silver (*see* No. 50).
117	MATCHES.
118	MATS AND MATTING.
119	OILCAKES.
120	OILCLOTH AND FLOOR CLOTH.

SCHEDULE II—IMPORT TARIFF.

PART IV—*concld.*

Articles which are liable to duty at 7½ per cent. *ad valorem*.

No.	Names of Articles.
121	PACKING—ENGINE AND BOILER—all sorts, excluding packing forming component part of any article included in Nos. 58 and 63.
122	PERFUMERY, excluding perfumed spirits (*see* No. 34).
123	PITCH, TAR AND DAMMER.
124	POLISHES AND COMPOSITIONS.
125	PRINTS, ENGRAVINGS AND PICTURES, including photographs and picture-cards.
126	RUBBER tyres for motors and motor cycles, and rubber tubes for tyres, and other manufactures of rubber, not otherwise specified.
127	SMOKERS' REQUISITES, excluding tobacco (*see* Nos. 40 to 42).
128	SOAP.
129	STARCH AND FARINA.
130	STONE AND MARBLE, and articles made of stone and marble.
131	TOILET REQUISITES, not otherwise specified.
132	TOYS, playing cards and requisites for games and sports.
133	UMBRELLAS, including parasols and sunshades, and fittings therefor.
134	All other articles wholly or mainly manufactured, not otherwise specified.
	IV.—Miscellaneous and unclassified—
135	CORAL.
136	FODDER, bran and pollards.
137	All other articles not otherwise specified, including articles imported by post.

SCHEDULE III—EXPORT TARIFF.

No.	Names of Articles.	Per	Rate of duty. R	A.
	JUTE, other than Bimlipatam jute.			
1	RAW JUTE—			
	(1) Cuttings	Bale of 400 lbs.	0	10
	(2) All other descriptions . .	„ „ „	2	4
2	JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings for other goods—			
	(1) Sacking (cloth, bags, twist, yarn, rope and twine).	Ton of 2,240 lbs.	10	0
	(2) Hessians and all other descriptions of jute manufactures, not otherwise specified.	„ „ „	16	0
	RICE.			
3	RICE, husked or unhusked, including rice flour, but excluding rice bran and rice dust, which are free.	Indian maund of 82⅔ lbs. avoirdupois weight.	0	3
	TEA.			
4	TEA	100 lbs.	1	8"

SCHEDULE II.

REPEALS.

(See section 5.)

No.	Year.	Short title.	Extent of Repeal.
VIII	1878	The Sea Customs Act, 1878	Section 22 so far as it relates to this Act.
III	1896	The Indian Tariff Act (1894) Amendment Act, 1896.	The whole.
VIII	1910	The Indian Tariff (Amendment) Act, 1910 .	The whole.
VI	1911	The Indian Tariff (Amendment) Act, 1911 .	The whole.
XVII	1914	The Second Repealing and Amending Act, 1914	The entry in the First Schedule regarding the Indian Tariff Act, 1894.

The following Act of the Indian Legislative Council received the assent of the Governor General on the 8th March, 1916, and is hereby promulgated for general information :—

ACT No. V OF 1916.

An Act further to amend the Indian Income-tax Act, 1886.

II of 1886. WHEREAS it is expedient further to amend the Indian Income-tax Act, 1886; It is hereby enacted as follows :—

Short title and commencement.

1. (*1*) This Act may be called the Indian Income-tax (Amendment) Act, 1916.

II of 1886. (*2*) It shall come into force on the first day of April, 1916.

Amendment of section 4, Act II of 1886.

2. In section 4 of the Indian Income-tax Act, 1886 (hereinafter called the said Act), for the figures "1886" the figures "1916" shall be substituted.

Amendment of section 5, Act II of 1886.

3. In section 5, clause (*j*) of the said Act, after the word "any" the words "company or" shall be inserted.

Amendment of section 31, Act II of 1886.

4. To section 31 of the said Act, the following sub-section shall be added, namely :—

"(*3*) Any agreement made in accordance with the provisions of this section shall be determined, as regards any tax not already due thereunder, by any change, subsequent to the making of such agreement, in the rates at which the tax is assessable under Part II or Part IV, as the case may be, with effect from the date on which such change comes into force."

Amendment of section 33, Act II of 1886.

5. In section 33 of the said Act, the words "during or within three months after the end of the year" are hereby repealed.

Amendment of section 38, Act II of 1886.

6. In sub-section (*1*) of section 38 of the said Act, after the word and numeral "Part IV" the following shall be inserted, namely, "for prescribing the procedure to be followed on applications for refund of the tax chargeable under this Act."

Insertion of new section 39A in Act II of 1886.

7. After section 39 of the said Act, the following section shall be inserted, namely :—

Limitation of claims for refund.

"39A. No claim for refund of tax under this Act shall be allowed, unless it is made within one year from the end of the year to which the claim relates."

8. For the Second Schedule to the said Act, the following Schedule shall be substituted, namely :—

Substitution of new Second Schedule to Act II of 1886.

"THE SECOND SCHEDULE.

SOURCES OF INCOME AND RATES OF TAX.

(See section 4.)

FIRST COLUMN.	SECOND COLUMN.
Sources of income.	Rate of tax.

PART I.

SALARIES AND PENSIONS.

1. Any salary, annuity, pension or gratuity paid in British India to, or on behalf of, any person residing in British India or serving on board a ship plying to or from British Indian ports, whether on account of himself or another person. 2. Any salary, annuity, pension or gratuity paid by the Government, or by a local authority established in the exercise of the powers of the Governor General in Council in that behalf, to or on behalf of a British subject within the dominions of a Prince or State in India in alliance with His Majesty.	(*a*) If the income amounts to Rs. 1,000 per annum, or Rs. 83-5-4 per mensem, but is less than Rs. 2,000 per annum or Rs. 166-10-8 per mensem—four pies in the rupee. (*b*) If the income amounts to Rs. 2,000 per annum or Rs. 166-10-8 per mensem, but is less than Rs. 5,000 per annum or Rs. 416-10-8 per mensem—five pies in the rupee. (*c*) If the income amounts to Rs. 5,000 per annum or Rs 416-10-8 per mensem, but is less than Rs. 10,000 per annum or Rs. 833-5-4 per mensem—six pies in the rupee. (*d*) If the income amounts to Rs. 10,000 per annum or Rs. 833-5-4 per mensem, but is less than Rs 25,000 per annum or Rs. 2,083-5-4 per mensem—nine pies in the rupee. (*e*) If the income amounts to Rs. 25,000 per annum or Rs. 2,083-5-4 per mensem or upwards—one anna in the rupee.

PART II.

PROFITS OF COMPANIES.

Profits of a company

One anna in the rupee on the whole of the net profits made in British India by the company during the year ending on the day on which the company's accounts have been last made up, or, if the company's accounts have not been made up within the year ending on the thirty-first day of March in the year immediately preceding that for which the assessment is to be made, then on the whole of the net profits so made during the year ending on the said thirty-first day of March :

Provided that a shareholder in the company who satisfies the Collector that his annual income from all sources in the income-tax year last preceding that in which his share of such profits was received, was less than any one, as the case may be, of the amounts tabulated below, shall be entitled to a refund, calculated on any dividend paid him by the company in regard to the profits made during the period mentioned in the first clause at the rates specified against each such amount, namely :—

Amount.	Refund.
1. Less than Rs. 1,000.	One anna in the rupee.
2. Rs 1,000 or upwards but less than Rs. 2,000.	Eight pies in the rupee.
3. Rs. 2,000 or upwards but less than Rs. 5,000.	Seven pies in the rupee.
4. Rs. 5,000 or upwards but less than Rs. 10,000.	Six pies in the rupee.
5. Rs. 10,000 or upwards but less than Rs. 25,000.	Three pies in the rupee.

THE SECOND SCHEDULE—*concld.*

FIRST COLUMN.	SECOND COLUMN.
Sources of income.	Rate of tax.

PART III.

INTEREST ON SECURITIES.

Interest becoming due on or after the first day of April, 1916, and payable in British India, on—

(*a*) promissory notes, debentures, stock or other securities of the Government of India (including securities of the Government of India whereon interest is payable out of British India by draft on any place in British India), or

(*b*) debentures or other securities for money issued by or on behalf of a local authority or company.

One anna in the rupee on such interest :

Provided that, if the owner of the security satisfies the Collector that his annual income from all sources in the income-tax year last preceding that in which the interest is paid was less than any one, as the case may be, of the amounts tabulated below, he shall be entitled to a refund, calculated on any such interest, at the rates specified against each such amount, namely :—

Amount.	Refund.
1. Less than Rs. 1,000.	One anna in the rupee.
2. Rs 1,000 or upwards but less than Rs. 2,000.	Eight pies in the rupee.
3. Rs. 2,000 or upwards but less than Rs. 5,000.	Seven pies in the rupee.
4. Rs. 5,000 or upwards but less than Rs. 10,000.	Six pies in the rupee.
5. Rs. 10,000 or upwards but less than Rs. 25,000.	Three pies in the rupee.

PART IV.

OTHER SOURCES OF INCOME.

Any source of income not included in Part I, Part II or Part III of this Schedule.

(*a*) If the annual income is assessed at—
not less than Rs. 1,000 but less than Rs. 1,250, the tax shall be Rs. 20;
not less than Rs. 1,250 but less than Rs. 1,500, the tax shall be Rs. 28;
not less than Rs. 1,500 but less than Rs. 1,750, the tax shall be Rs. 35;
not less than Rs. 1,750 but less than Rs. 2,000, the tax shall be Rs. 42.

(*b*) If the annual income is assessed at Rs. 2,000, or upwards but is less than Rs. 5,000—five pies in the rupee.

(*c*) If the annual income is assessed at Rs. 5,000 or upwards but is less than Rs. 10,000—six pies in the rupee.

(*d*) If the annual income is assessed at Rs 10,000 or upwards but is less than Rs. 25,000—nine pies in the rupee.

(*e*) If the annual income is assessed at Rs. 25,000 or upwards—one anna in the rupee."

9. Sub-sections (*3*) and (*4*) of section 2 of the Indian Income-tax (Amendment) Act, 1903, are hereby repealed.

Repeal of sub-sections (*3*) and (*4*) of section 2 of Act XI of 1903.

XI of 1903.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61.)

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Wednesday, the 1st March, 1916.

PRESENT:

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G., G.C.V.O., G.M.S.I., G.M.I.E., I.S.O., Viceroy and Governor General, *presiding*, and 53 Members, of whom 45 were additional Members.

* * * * *

THE INDIAN TARIFF (AMENDMENT) BILL.

The Hon'ble Sir William Meyer:—"My Lord, as I indicated just now in my speech on the Financial Statement, I have to move for leave to introduce a Bill to amend the Indian Tariff Act. It is from this measure, as I have already explained, that we expect to obtain the largest share of the additional revenue which we require. In introducing the Financial Statement, I have stated in some detail our proposals in connection with the import and export duties, and Hon'ble Members will perhaps allow me to refer them to my previous remarks for an explanation of the changes we contemplate and of the considerations underlying these changes. I need not, therefore, go over this ground again, and will confine my remarks to a few points arising out of the Bill to which I have not yet had occasion to refer.

"The Import Tariff which we propose to substitute for the existing Tariff is stated in Schedule I of the Bill. Part I specifies the articles which are to remain exempt from duty, and in addition to the remarks which I have already offered in explanation of our reasons for restricting the free list, I have only to observe that, with one exception, all the articles which appear in Part I are now already exempt from duty under the provisions of the existing Schedule, or under notifications issued under section 23 of the Sea Customs Act. The exception is the exemption now proposed in favour of nickel and bronze coin of the Government of India, which will now formally be placed in the same category as other current British Indian coin. The only other point to which I need draw the attention of Hon'ble Members, in connection with this part of the Schedule, is the inclusion in the statutory free list of all the special concessions which have hitherto been conceded to the cotton industry. These are stated in Nos. 18, 19 and 27 of the Import Schedule.

"Part II of the Import Schedule states the special rates to be applied to those articles, which, for one reason or another, are taxed at specific rates varying with each individual case. I have already explained in introducing the Financial Statement the changes which we propose in connection with the taxation of these articles, and the grounds on which we rely for a modification of the existing method and pitch of assessment.

"In Part III are included the articles which are to be liable to duty at $2\frac{1}{2}$ per cent. There are at present only two cases in which such a rate is applied, namely, vinegar and green copperas, this privileged rate, as compared with our general tariff of 5 per cent. being a consequence of special tariff arrangements with France. We now propose to enlarge the list of articles which are to be taxed at this rate; and we include in it firstly, those manufactures of iron and steel which have hitherto been accorded preferential treatment and pay only one per cent, and secondly the more important articles which have hitherto been exempted altogether, but are no longer to be so. While we are unable, in existing financial conditions, and also for the reasons which I have already

explained, to continue to these imports the fiscal treatment they have enjoyed in the past, we are still recognising their title to privileged treatment by taxing them at 5 per cent below our proposed general tariff rate. In regard to machinery, it will be observed that we do not propose to apply the rate of 2½ per cent. to machinery, as defined in No 58 of the Schedule, imported by the owner of a cotton spinning and weaving mill. This exemption is a corollary to the policy of placing an excise duty on cloth woven in Indian mills equivalent to the import duty on similar goods, and so long as the excise duty remains in force, we do not desire to modify the concession of total exemption which that industry has enjoyed.

"One small point needs to be mentioned in connection with the proposed taxation of railway material. If Hon'ble Members will refer to item No. 63 of the Schedule, they will see that this item includes a proviso defining component parts of railway material. This definition follows the similar definition, prescribed in No. 58, applicable to component parts of machinery; and this definition has, as a matter of fact, been in force for many years under our executive instructions. We are now merely giving statutory recognition to an existing practice which has the support of a statutory prescription applicable to articles of a character very similar to railway material. As I have already explained in connection with the Financial Statement, we have always endeavoured to maintain equivalence of taxation between these two classes of imports.

"Part IV calls for no detailed remarks. The general tariff rate will be raised to 7½ per cent; and this rate will apply also in future to a number of articles, many of no special importance, which have hitherto, for no very valid reason, found their way into the free list.

"The Import Schedule, it will be observed, distinguishes articles according as they are free, or dutiable at special rates, or at 2½ per cent. or at 7½ per cent. This form will it is believed, assist Hon'ble Members in their consideration of our proposals. We shall, however, for the convenience of importers, publish, after the Bill has become law, a Schedule in which the items of the statutory Schedule will be arranged, as far as possible, in alphabetical order. In another respect, too—and here perhaps to a more marked extent—the proposed Import Schedule differs from the existing Schedule No. IV which states the general import duties. In the latter, in the case of a number of articles tariff values have been stated on which the import duty is assessed. Under section 22 of the Sea Customs Act, however, Government have the power to fix and modify such values, and these values are variable from time to time according to fluctuations in the price of the articles. Again, it is found necessary from time to time to fix tariff values for articles previously assessed on their market value. Therefore any values which might to-day be inserted in the Tariff Schedule would almost certainly stand in need of revision at the end of the year when, according to our usual procedure and in consultation with importers, a new set of values would be fixed for the ensuing year. Thus examination of the values which are now given in the Schedule published at the end of last year by the Department of Commerce and Industry will show that these differ greatly from those originally inserted in the Schedule which formed part of the Act of 1894. We therefore think it advisable to show no tariff values in the proposed Schedule. But we do not propose to abandon this method of assessment, which has considerable advantages to the trade and to the Customs authorities. We propose as soon as possible after the Bill has become law to publish under its clause 3 (2) a Schedule in the alphabetical form to which I have just referred showing the tariff valuations as fixed at the last revision in December 1915 for those articles in respect of which it has been considered necessary to fix such values.

"Schedule II states the rates of duties which we propose for the export duties on jute and tea. The definition of jute in this Schedule excludes Bimlipatam jute which, though commonly described as jute, is not botanically of the same family as the *Corchorus capsularis* or *Corchorus olitorius* grown in Bengal, and does not command the same value as the latter.

"Finally, I may explain, with reference to clause 1 of the Bill, that since the Bill, if passed into law, will have retrospective effect from the 1st of March, it is necessary to provide for the recovery of any duties which may be short

levied on the 1st of March and subsequent days until the enactment of the Bill. We have instructed Collectors of Customs to inform the trade that the new duties will be applied on and from the 1st of March so as to give importers and exporters the opportunity of paying duty at the enhanced or new rates immediately, on the understanding that should any change be made during the passage of the Bill in the rate of duty applicable to any particular article, an adjustment will subsequently be made in respect of any sums paid as duty at the rates shown in the Bill. To provide, however, for the case of an importer or exporter declining to make payment at the new rates pending the enactment of the Bill, power has been taken in its clause 1 to recover duty at the rates as they will be when the Bill becomes law under the procedure which already applies in the case of short levies of duty by accident, or negligence, or collusion.

"My Lord, I now move for leave to introduce the Bill to amend the Indian Tariff Act, 1894, and for other purposes."

The motion was put and agreed to.

The Hon'ble Sir William Meyer:—"My Lord, I beg to introduce the Bill, and in view of the urgency which I explained in my speech introducing the Financial Statement, I beg that Your Excellency will be pleased to suspend the Rules of Business to admit of the Bill being at once referred to a Select Committee."

His Excellency the President:—"I suspend the Rules of Business."

The Hon'ble Sir William Meyer:—"My Lord, I beg to move that the Bill be referred to a Select Committee, consisting of the Hon'ble Sir William Clark, the Hon'ble Mr. G. R. Lowndes, the Hon'ble Sir Ibrahim Rahimtoola, the Hon'ble Mr Rayaningar, the Hon'ble Rai Sita Nath Ray Bahadur, the Hon'ble Mr J. B. Brunyate, the Hon'ble Lieutenant-Colonel P. R. T. Gurdon, the Hon'ble Mr. C. E. Low, the Hon'ble Mr. F. H. Stewart, the Hon'ble Mr. T. W. Birkett and myself, with instructions to report by the 7th March, 1916."

The Hon'ble Sir Ibrahim Rahimtoola:—"My Lord, may I be permitted to say something?"

His Excellency the President:—"There is no discussion to-day. Will you please sit down."

The motion was then put and agreed to.

THE INDIAN INCOME-TAX (AMENDMENT) BILL.

The Hon'ble Sir William Meyer:—"My Lord, I move for leave to introduce a Bill to amend the Indian Income-tax Act of 1886. The object of the proposed legislation is to enhance the revenue obtained from the income-tax. The system of taxation proposed, and the fiscal results anticipated, have been stated in considerable detail in my speech of this morning introducing the Financial Statement for 1916-17, and I explained also that it is proposed to restrict the amendments of the Income-tax Act to those which are necessary to carry out the new scheme of taxation. Any other amendment of the Income-tax Act must wait for a period of greater leisure. I need not go over this ground again now. The new graduated scale contemplated represents, however, a considerable departure from previous practice, and necessarily involves certain changes of procedure, which I now proceed to mention.

"Under the existing Act interest on securities is taxed by deduction at the source. This is the method of assessment ordinarily followed in such cases in other countries. Further, where the system of deduction at the

source exists side by side with a graduated scale of income-tax, it is necessary, in order to ensure a full yield, that the claim of the State should be made at the maximum rate in the first instance. This arrangement too is already in force under the existing Act and, as my Hon'ble friends are aware, will be continued. I may mention incidentally that the system of deducting tax at the source is specially necessary in India, as otherwise assessees under Part I, namely, those taxed on salaries and pensions, would escape paying income-tax on the interest on any securities they may hold, inasmuch as they are not at present required to submit a return of their income from all sources, this being required of assessees under Part IV only.

"Individual holders of securities are, however, allowed an abatement of the tax paid on interest, or complete exemption, with reference to their position on the graduated scale as determined by their total personal income. Under the existing Act this relief may be obtained before the tax is actually paid, by producing a certificate signed by the Collector to the effect either that the assessee's income is not taxable at all, or is taxable at 4 pies in the rupee instead of 5 pies.

"With the extension of the principle of graduation contemplated in the present Bill, it is felt that this latter arrrangement would result in inconvenience. The number of persons—hitherto negligible—who are entitled to claim abatement in respect of income-tax paid on interest on securities will now be considerable, and the retention of the existing procedure for obtaining relief would, amongst other things, involve the risk of delay in the payment of interest. The assessee, we think, would much prefer to have his interest on Government paper, company's debentures and the like paid in regularly and automatically as it falls due, and be left to urge his claim for abatement at his convenience and for all his securities together. It is therefore thought desirable, in the interests both of the taxpayer and of the Administration, that for the future a system of refunds should be prescribed, in lieu of the present system of anticipatory application, as the means of remedying any excess payments of the tax made at the source through the imposition of the maximum rate.

"A similar question of procedure arises as a result of the concession, allowed by the rule of assessment laid down in Part II of the amended Schedule in clause 8 of the Bill, by which individual shareholders in companies are to be granted abatement or exemption calculated with reference to their total personal income. Hitherto this has not been allowed. We feel that the recovery of the enhanced maximum rate now proposed without any provision for remissions would not be equitable or expedient. Following therefore the case of securities, we again propose that, while the tax should be taken at the maximum rate in the first instance, excess payments shall be subsequently refunded on application being made in due course.

"In order to facilitate the working of the refund system in these cases, it is proposed that, in regard to assessments under both Part II and Part III of the Second Schedule prescribed in clause 8 of the Bill, the total annual income of an individual applying for relief shall be taken for this purpose to be the income of the preceding income-tax year. This provides a convenient and equitable criterion which will, amongst other things, enable refund claims to be dealt with more expeditiously than would be possible if it were necessary to wait until the income of the year in which the tax is paid could be ascertained.

"Finally, it is proposed to prescribe a new period of limitation for the presentation of refund claims generally, this period to be one year instead of the three months at present prescribed in regard to cases falling under section 33 of the Act. This seems desirable, in order to smooth still further the application of the new graduated scale and to reduce the risk of hardship to a minimum, and explains the provisions of clauses 5 and 7 of the Bill, while clause 6 makes it clear that the rule-making power given by section 38 of the present Act is to extend also to the procedure to be followed on applications for refund.

"One other matter may be mentioned, namely, the provision in clause 4 of the Bill, which will have the effect of determining compositions effected

under section 31 of the existing Act when the new rates of taxation come into operation The amendment proposed takes the form of a general and permanent provision, as it is desirable, in view of the possibility of future modifications of the income-tax rates, that the law should be so framed as not to permit of any arrangement being made, special to individual taxpayers, which will prevent a new rate of income-tax—be this in the shape of enhancement or reduction—from becoming fully operative immediately on its introduction.

"With these remarks, My Lord, I beg leave to introduce the Bill."

The motion was put and agreed to.

The Hon'ble Sir William Meyer:—"My Lord, I now introduce the Bill. I have already explained its main provisions, and in view of the urgency of the case, which I have also explained, I beg that Your Excellency will be pleased to suspend the Rules of Business to admit of the Bill being referred at once to Select Committee"

His Excellency the President:—"I suspend the Rules of Business."

The Hon'ble Sir William Meyer:—"My Lord, I move now that the Bill be referred to a Select Committee, consisting of the Hon'ble Mr. G. R. Lowndes, the Hon'ble Sir G. M. Chitnavis, the Hon'ble Sir Fazulbhoy Currimbhoy, the Hon'ble Rai Sita Nath Ray Bahadur, the Hon'ble Mr. J. B. Brunyate, the Hon'ble Mr. W. H. Cobb, the Hon'ble Mr R. E. V. Arbuthnot, the Hon'ble Khan Bahadur Mian Muhammad Shafi, the Hon'ble Mr. T. W. Birkett, the Hon'ble Mr. L. Davidson and myself, with instructions to report by the 7th March, 1916."

The Hon'ble Pandit Madan Mohan Malaviya:—"May I have Your Lordship's permission to say a few words?"

His Excellency the President:—"There is no discussion on the Financial Statement, and this, I consider, is a portion of that Statement."

The Hon'ble Pandit Madan Mohan Malaviya:—"May I submit for Your Excellency's consideration—."

His Excellency the President:—"You can submit afterwards. Not now."

The motion was then put and agreed to.

The Council adjourned to Tuesday, the 7th March, 1916.

A. P. MUDDIMAN,

Secretary to the Government of India,
Legislative Department.

DELHI;
The 8th March, 1916.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Tuesday, the 7th March, 1916.

PRESENT :

The Hon'ble SIR WILLIAM CLARK, K.C.S.I., C.M.G., Vice-President, *presiding*, and 53 Members, of whom 46 were Additional Members.

* * * * * *

THE INDIAN TARIFF (AMENDMENT) BILL.

The Hon'ble Sir William Meyer:—"Sir, I beg to present the Report of the Select Committee on the Bill to amend the Indian Tariff Act, 1894, and for other purposes. The Report is now in the hands of Members, and I need only emphasize one little point, and that is, a slight amendment we have made in Schedule III.—Export Tariff.

"As I explained in my speech introducing the Financial Statement, we proposed to provide for a special rate on jute 'rejections' lower than the ordinary rate. After conferring with representatives of the Jute Trade, and having had the benefit of the attendance of Mr. Birkmyre as an expert witness before the Select Committee, we are led to the conclusion that the 'rejections' form really a very small portion of the raw jute articles that will pass through the customs ; that it would be difficult to distinguish in regard to them in many cases ; and that, on the whole, it would be better not to put rejections in a separate category. Fiscally, this will be somewhat to the good, since 'rejections' will now be taxed at the rate for jute of other descriptions, *i.e.*, other descriptions than cuttings.

"There were other points on which there was some discussion in the Select Committee. The Hon'ble Sir Ibrahim Rahimtoola proposed that there should be a 6 per cent duty on piece-goods ; that suggestion did not commend itself to the Committee as a whole, for the reasons stated in paragraph 2 of the Committee's Report. Similarly, a proposal made by the Hon'ble Mr. Stewart in respect of free railway material which had been ordered prior to the date from which this legislation is to come into force, and some suggestions he put to us that the Tea trade was not in a condition to justify the imposition of an export duty, were not accepted by the Committee as a whole. They are referred to in paragraphs 3 and 5 of the Report.

"I should like here to take the opportunity of emphasizing a matter which I thought I had made clear previously in my speech introducing the

Bill, but which I see is still a subject of misapprehension, judging, for instance, from a telegraphic communication I have received from the South Indian Chamber of Commerce Well, to take existing conditions, our general tariff is 5 per cent. and this is 5 per cent. *ad valorem*. Obviously, in the case of a great number of articles which are subject to fluctuations of price, it is alike to the convenience of Government and of trade to have a *valor*, the amount on which duty would be paid, definitely fixed from time to time. Otherwise, you would have constant 'value' examinations in the customs, and probably the anomaly, every now and then, of different valuations at different ports. So when the Import Tariff Schedule of 1894 was framed, in the case of a great many articles, our predecessors put down a specific tariff valuation on which the customs officers were to act. It is perfectly clear, however, that such a tariff valuation must, from time to time, be revised with the course of prices. If prices were to rise materially, the existing tariff valuations would be unfair to the Government as representing the community as a whole; if they were to fall, the tariff valuations would be unfair to those who have to pay the tax. Consequently, these tariff valuations come under reconsideration every year and fresh valuations are issued, the Government of India having power to do this under section 22 of the Sea Customs Act, which runs as follows:—

'The Governor General in Council may, from time to time, by notification in the Gazette of India, fix, for the purpose of levying duties, tariff values of any goods exported or imported by sea on which customs duties are by law imposed, and alter any such values fixed by any Tariff Act for the time being in force.'

"The result is that all these tariff valuations that were inserted in the existing Act are now ancient history; they are of no practical value whatever, and have been superseded by other more recent valuations. When we framed the present Bill, it seemed to us that there was no use in stultifying the Government and the Legislature by putting down these ephemeral tariff valuations in the Schedule of the Bill. We shall leave them to be fixed as before, year by year, under the authority of the Governor General in Council, but subject of course to the general enactment of the law that the duty levied must represent 7½ per cent. *ad valorem*, or 2½ per cent. *ad valorem*, or whatever the *ad valorem* rate may be. It is merely a procedure by which, for the benefit alike of the trade and of the Customs authorities, the Government translates, from time to time, into actual terms what the value is on which the duty shall be levied. The clause in the Bill—sub-clause (*2*) of clause 3—which governs the procedure is as follows:—

'The Governor General in Council may, by notification in the Gazette of India, fix, for the purpose of levying the said duties, tariff values of any articles enumerated, either specifically or under general headings, in the said Schedules as chargeable with duty *ad valorem*, and may alter any tariff values for the time being in force.'

And sub-clause (*3*) says:—

'Different tariff values may be fixed for different classes or descriptions of the same article.'

"As I explained in my speech introducing the Bill, we propose, as soon as possible after the Bill has become law, to publish under clause 3 (*2*) a Schedule in an alphabetical form for the convenience of the trade and of the Customs authorities, showing the tariff valuations as they were fixed at the last revision in December, 1915, for those articles in respect of which it has been considered necessary to fix such values, and these will remain in force till the next revision. I trust I have now made it quite clear that the South Indian Chamber of Commerce are under a misapprehension when they talk of 'the abolition of tariff values and of the introduction of an *ad valorem* duty all round.' The duty has always been an *ad valorem* duty in these cases, and remains an *ad valorem* duty. But for the sake of convenience the *valor*, the value, is fixed for specified periods and then revised, and this will remain the case still.

"There is one more point I may notice here because it has not been the subject of any amendment, and that is our 7½ per cent. duty on pearls. We have received representations from Bombay stating that this will be a great hardship, in view of the fact that the bulk of the pearls are imported into India from the Persian Gulf and are then re-exported. India is thus a sort of middle-man in this business, and those who object to the duty say that, by putting such a large import duty on pearls, we shall kill the trade, which will go elsewhere. Well, the Sea Customs Act provides, ordinarily, that where an article is imported and then re-exported within a definite period, 7-8ths of the import duty will be refunded as a drawback. The article has, however, to be identifiable. Some of the authorities we have consulted say that the pearls will, generally speaking, be identifiable; others are rather doubtful on the subject. We are not therefore in a position to come to a definite decision in this matter. We propose, consequently, to keep the provision of the Schedule relating to pearls, but to prosecute our inquiries further. If we find that there would be difficulty in identifying the pearls, or that for any other reason the duty we propose will have a really prejudicial effect on the pearl trade, an effect which we have no desire whatever to bring about, why then, we shall act under section 23 of the Sea Customs Act and exempt them from duty or give them certain concessions. Sir, I now beg to move you to suspend the Rules of Business to admit of the Report of the Select Committee being taken into consideration."

The Hon'ble the Vice-President:—"I suspend the Rules of Business."

The Hon'ble Sir William Meyer:—"I now move that the Report of the Select Commiteee be taken into consideration."

The Hon'ble Sir Gangadhar Chitnavis:—"Sir, the Bill before us will command general approval, although the reason why it has been undertaken is regrettable. The deficit in our finances must be disquieting, especially because the Hon'ble the Finance Member thinks it is not likely to disappear for some time. Let us hope this fear is unfounded. The elasticity of the Indian revenue has always been a matter of surprise and satisfaction both here and in England, and there is much to be said for the view that its normal expansion in times of peace will be sufficient to cover all our liabilities. This optimism is further justified by the fact that a close scrutiny of our public expenditure would reveal items about the paramount urgency of which opinion might well be divided. In difficult times like these, large expenditure on unproductive construction work would appear questionable. The explanation does not appeal to me as conclusive. But a debate on the subject might embarrass Government, and there is no disposition in any quarter to do this. We therefore loyally accept the assurance that additional taxation has become necessary, and support the present scheme of such taxation with the greater alacrity in that it is based upon an equitable principle of distribution. And more than that: it is to some extent a sign that Government is more in touch with popular opinion. The revision of the tariff has all along been demanded by us, Indians, irrespective of the question whether or not such revision is necessary in the exigencies of our public finance. The fact that it has now become necessary is an additional point in its favour. But the exclusion of imported cotton piece-goods from the revised tariff must be viewed with keen disappointment. It is some comfort to be assured that this Government has tried to do us justice in this matter; it is likewise a hopeful sign that, on conclusion of peace, the whole question of the cotton duties and the countervailing excise duty will be carefully considered, along with the adumbrated scheme of an Imperial Federation founded upon inter-Imperial preference. We look to the Government of India to show itself as the watchful and earnest guardian of our interests in the framing of this scheme. When I moved, in 1913, my Resolution about Preferential Tariffs, I had hardly expected that the suggestion would materialise so soon; but this war has

proved a powerful solvent of old ideas, and new economic theories have forced themselves into public attention. It is natural that a Customs Union among the different units of the British Empire is already in view. Let us earnestly hope its inauguration will be marked at least by the repeal of the unjust cotton excise duty and a reasonable advance in our import duties upon cotton manufactures. From what we know of the present Viceroy and his Government, we have every confidence that they are doing their duty in imposing the new taxation under inevitable circumstances. I, therefore, beg to support the Bill, subject to such remarks as I may perhaps make in support of the amendments proposed by some of my friends."

The Hon'ble Sir Fazulbhoy Currimbhoy :—"Sir, the uncertainties of the situation both military and financial, if nothing else, force our assent to the Bill. In the crisis before us one cannot be sure of the future, and the accuracy of the Budget estimates is more or less a matter of chance. If the military necessities of the Indian Empire do not call for sudden extraordinary expenditure in the course of the next year, the actual expenditure will not probably exceed the estimated expenditure. But if extraordinary expenditure becomes necessary, the actual may far exceed the estimate. On the revenue side also the same element of uncertainty exists. So much depends upon the monsoon and the free and unrestricted movements of trade and commerce. Even the revenue from the customs duties and the export duties depend upon an adequate supply of tonnage, a factor always uncertain in war times, has become especially so in consequence of the new methods of warfare adopted by the enemy and the gradual extension of military operations over whole Continents. Precision in calculation of our future expenditure in these circumstances cannot be counted upon. Our reserves, both here and in England, must be maintained in their entirety, and any temporary depletion must be made good at the earliest opportunity. With all the prudent management of our finances, for which the Hon'ble Sir William Meyer deserves all credit, we have still temporary sterling liabilities on account of the Secretary of State's borrowings. And the sterling exchange may have for us surprises in the future; no one can be sure when, how long, and to what extent the expedient of the sale of reverse bills may have to be resorted to. These operations, as can well be realised, however sufficient as provisional arrangements, help to add to our financial liabilities after the war. A careful survey of the whole position will thus reveal the fact that the ordinary resources of this Government may prove inadequate for our needs. However loath, therefore, I may be ordinarily to support additions to our taxes, especially when they are expected to result in a fairly big surplus, I fully believe they have become necessary, even though I hold that our commercial prosperity at the end of the war will substantially increase our revenue in more directions than one. There may not after all be a surplus; the yield from the proposed taxes may fall short of the estimate; at the close of the next year, instead of having a large surplus to dispose of, we may have to face a deficit. With restricted scope for loan operations in India, and the London market practically cut off for sometime to come, it would not therefore be just to fret at fresh taxation.

"Now the necessity of additional taxation premised, Government arrangements must appear well devised to every dispassionate critic. It is clear Government have done their best under His Excellency's noble initiative. The taxation proceeds upon the most enlightened principles of distribution, and the Tariff Bill must appeal to all as reasonable. It is, in the first place, welcome as a concession to public opinion. There has been for some time past a growing desire in the country for a heavy tariff Indian public opinion is now, to all intents and purposes, unanimous about its urgency. But a scrutiny into its merits is unnecessary. It is obvious that, when additional taxation has been forced upon us, considerations of policy at least would justify its adoption. I do not, however, think the tariff proposed is after all so heavy. But be that as it may, the Bill means a welcome departure in our fiscal policy. The next agreeable feature of the Bill is that the taxes have been so adjusted as to ecure the

largest portion of the revenue from the rich, just the classes of men who are able to bear the strain, and who owe all their wealth to the security, both inland and oversea, ensured by the British Government and to the facilities of international commerce provided by our connection with that Government. It is certainly not my contention, neither is it the Hon'ble Finance Minister's contention, that improvements as regards details are are not conceivable. The Hon'ble Sir William Meyer himself admits that an enhancement in the import duties upon cotton goods simultaneously with the abolition of the countervailing excise duty would have been just and would have been acceptable to Government. But in view of his explanation on the point, criticism would not further our cause. On the contrary, it might do us harm, as pointed out by His Majesty's Government. Hon'ble Members will note that the abolition of the excise duty is by far the more important of the two questions, and so long as that is not secured, we cannot gain our point. So far as the principle and the special needs of the Indian cotton industry are concerned, it is a comparatively minor matter whether the import duties upon cotton goods are raised by a few points or not. It has been felt now for decades, both by officials and the Indian public, that duties upon imported cotton goods are required for purposes of revenue, and quite naturally. The value of our annual cotton imports is enormous. These should therefore be one of the most productive sources of our revenue. But this source, so far, has not been, and could not be, utilised on account of this countervailing excise duty. Already the excise duty is a clog to the industry, and even a slight increase in it would prove positively injurious As matters stand at present, however, the two duties go together, an enhancement in the customs duty being countervailed by a similar enhancement in the excise duty. The great point accordingly is, the excise duty must go on principle. And once we succeed in getting this abolished, we shall have made a substantial advance in the matter of fiscal freedom which we all so desire. We feel encouraged that the Government of India is with us in this matter, and is fighting our cause with all the weight of its position and authority. I would not embarrass such a powerful and earnest champion with ill-timed controversy over this question. Government has the moral support of the whole country. Our Congresses and Industrial Conferences have repeatedly demanded the abolition of this excise duty. Non-official Members of this Council have before now echoed the feeling of the country. When the war ceases there will be no lack of opportunity to express once again our united opinion on the subject, should such an expression of opinion be found necessary. I accordingly hold that no good purpose will be served by agitating the point now.

"Sir, it would have been well, it would certainly have been more consonant with public feeling, if in the Schedule to the Bill the duty upon salt had not been increased, and the estimated revenue from the additional duty had been raised from some other source, say jute. But, on a careful consideration of all the circumstances, I do not press for a readjustment. I cannot ignore the fact that Government themselves do not favour an increase in the salt tax. Their policy has been to reduce it on every accession of prosperity. There is a consensus of official opinion that the salt tax should be held back as a sort of reserve to be used only when other resources fail. The traditions of this Government are against an increase in this tax because, as the Hon'ble Sir William Meyer puts it, it hits the poor consumer. It is only fair, therefore, to assume that Government in this matter have yielded to pressure But as it is, the additional 4 annas per maund may not prove very oppressive. I would, however, appeal to Government to repeal it at the earliest opportunity, and, until that consummation takes place, to see that even in the case of future necessity there is no further loading, and the necessary additional income is got by increasing the export duty upon raw jute and jute manufactures. The Hon'ble Sir William Meyer has referred to the expert opinion that jute exports can very well bear heavy export duties. A heavier export duty on jute would thus have been justifiable even in this Bill, but the cautious advance made by Government in this direction is perhaps the most advisable. This is an altogether

new tax in India, and a stiffer tariff in the beginning might have been productive of unnecessary clamour. It is prudent to watch developments.

"Sir, I must here point out that this Tariff Bill will operate harshly upon the Indian pearl trade unless supplemented by a Government notification, under section 23 of the existing Indian Tariff Act, exempting from duty the pearls imported into Bombay from the Persian Gulf. The imports mostly come for assortment and expert treatment by the Indian traders and artisans, and fully 75 per cent of the pearls are re-exported oversea. Bombay has so far been the distributing centre of the pearl trade of the world. The volume of business done is something enormous. About two crores worth of pearls are imported annually into India, while the exports are valued at three and a half crores, the difference in value being due to increase in value of the re-exports after being cleaned, refined, subjected to difficult chemical processes, drilled, sorted and strung, as also to some extent to outgoings from old stock. The business gives employment to hundreds of skilled workmen and traders; but the whole trade will be diverted from India if the pearls are not exempted from the new duty. Continental firms, it is well to bear in mind, are watchful, but up to now have failed to wrest the trade from us. If, however, this 7½ per cent duty is maintained, it will have the sure effect of discouraging imports into India. This contingency will spell disaster to the Indian industry and ruin to a numerous body of traders and skilled workmen. The danger is so great, that the Indian Merchants' Chamber and Bureau has wired earnest representations to you, Sir, and to me. It may be urged that a drawback could be claimed under section 43 of the Indian Tariff Act, upon pearls re-exported from Bombay. Section 43 no doubt provides for the grant of a drawback upon re-exports, but that only in the case of goods 'capable of being identified.' Now, pearls are notoriously incapable of easy identification, especially because they are imported in mixed bulks. And it was because of this difficulty that Government have all along exempted them from duty. Unless similar exemption is allowed on the present occasion also, and a notification under section 23 issued by His Excellency in Council exempting pearls from customs duty under the Bill, the greatest injustice will be done to a large body of useful and law-abiding citizens who bring prosperity to the country by their industry and skill. I am glad that the Hon'ble the Finance Minister has given his assurance that he is going to inquire into the matter, and if it is found that it will ruin the trade, he will exempt it.

"In conclusion, I beg to accord my warm support to the Bill under discussion, and, in doing so, I must especially thank the Hon'ble Finance Minister for accepting the suggestion of the Indian Merchants' Chamber and Bureau, submitted through you, Sir, and increasing the customs duty upon gold and silver thread and other silver manufactures imported into India from foreign countries. The conditions of competition have now been equalised for the Indian silversmiths."

The Hon'ble Mr. Dadabhoy:—"Sir, I welcome this Bill, not so much for the revenue the alterations in rates provided in it will yield, but for the evidence it contains of a decided and, I hope and trust, a permanent change in the fiscal policy of this Government. The present scheme of taxation, thanks to the sympathetic initiative of the Hon'ble Finance Minister, is in agreement with the oft repeated suggestions of the people. Public opinion in India has all along demanded that Government should have a heavy tariff, not only for purposes of revenue, but also for the protection it is likely to afford to our industries. With years the feeling has gained in strength and persistency until we have reached a stage when opinion has become practically unanimous. But so long this Government could not accede to our request, however anxious they may have been to take the suggested departure. This war, however, has facilitated the adoption of the desired policy, and now that Government has launched this new scheme, it is only to be expected that the action should meet with general and cordial approval. The Indian public will only look

forward with hope to the maintenance of the increased scale of import duties for a sufficiently long time. Should the Hon'ble Sir William Meyer's estimate of our future liabilities prove correct, all the additional revenue required may be easily had by judicious handling of the tariff. We should be ready to support Government if after a few years the duties now imposed have to be further enhanced.

"Sir, it may be argued that even a protective tariff has its disadvantages, and under prolonged strain its utility might become obscured and the general public might become restive; but, thanks again to the judgment the Hon'ble Sir William Meyer has brought to bear upon it, the whole arrangement is so carefully planned, that the masses will not feel the weight of the imposts so much as the rich. Barring two items, salt and sugar, the articles heavily taxed are exactly those which are used most by the better classes,—people whose patriotism and broader outlook will prove a powerful corrective of any feeling of impatience at the duties. About salt, I shall have to speak more fully later on in connection with the amendment relating to the additional tax upon it standing in my name. Sugar is undoubtedly one of the principal articles of food in India, and the increased duty upon it might at first sight appear onerous to the masses. But, in addition to the reasons given by the Hon'ble Sir William Meyer in support of the tax, Hon'ble Members will be pleased to consider that locally produced raw sugar or *gur* forms the chief article of consumption among the common people. These do not ordinarily use the imported refined sugar, and, except for use in moderate quantity on ceremonial occasions, that is seldom purchased by the simple villager. Indeed, whole villages would be found without a stock of it even in pre-war days when cheap beet-sugar ruled the market. It is true, inflation in the price of the imported article in consequence of the customs duty will have its effect upon the local stuff, but the rise in the price of this last article is bound to be small. This slight rise the people should not object to pay, especially at this juncture. This is a war towards the cost of which the rich and the poor alike must contribute, and when the rich cheerfully accept the higher taxes, the poor have no just cause for complaint for the slightly increased demand upon his purse. Besides, the country has all through the past quarter of a century and more demanded that some sort of protection should be ensured to the local manufacture, the development of which will contribute to rural prosperity in many parts; and when the much-needed protection is afforded by Government in the shape of heavy duties upon imported sugar, it is not for us to turn round and grumble at a slight rise in prices.

"In the debate on this Bill the main points which call for serious comment are (1) the retention of the countervailing excise duty upon Indian cotton, (2) the omission to levy the higher scale of customs duties upon our cotton imports, and (3) the exclusion of raw cotton from the new scheme of export duties. With regard to the first two points, the Hon'ble Finance Member has offered an explanation about the sufficiency of which difference of opinion is permissible. Clearly Government is in no doubt about the iniquity of the excise duty. Even five years ago when I moved in Council a Resolution for its abolition, indications were not wanting that Government was sympathetic, and now official opinion appears to coincide with the popular view that this duty must be abolished on principle, apart from any consideration of its economic effect upon the local cotton industry. In a general revision of the tariff it was to be expected that this would be done. It would have been well if the duty had been abolished. The action of His Majesty's Government in preventing the abolition must be viewed with keen disappointment throughout the country. The inclusion of imported cotton piece-goods among the articles liable to pay the enhanced duties, again, would have secured to Government universal support from the people, and this at a crisis when popular good-will is of the last importance. Here, too, the policy pursued by the Imperial Government must be characterised as narrow and shortsighted. But agitation on these points would embarrass Government, and that would not be right. It might also, to some extent, injure our cause.

We must live in hopes that a decision in conformity with Indian opinion and Indian sentiment will be come to after the war. It is something to know that this Government is doing its best to secure justice to India. With such powerful support the wishes of 300 millions of people cannot be disregarded by His Majesty's Government.

"With regard to raw cotton, the case is slightly more complicated. The Hon'ble Finance Member has drawn our attention to the fact that the market for Indian cotton has steadied in the current year in consequence principally of heavy purchases by Japan, one of His Majesty's Allies Over and above the consideration of the possible economic effects of an export duty upon cotton, diplomatic considerations must have induced Government to forego that duty for the present. It would be unjust to criticise Government action without knowing all the facts. In this matter, too, let us hope some satisfactory arrangement will be made on the termination of war.

"It may therefore be broadly stated that this Bill deserves the cordial support of this Council, barring the slight modification suggested in the amendments I propose to move. The whole scheme is fair, equitable and well thought out. In principle it is right. The details also have generally been settled with care and judgment. I accordingly cordially support the Bill, with the exception of two particulars in regard to which I shall move amendments."

The Hon'ble Khan Bahadur Mian Muhammad Shafi:—
"Sir, I have great pleasure in giving my support to the Indian Tariff Bill, not only because, in the existing abnormal conditions, the Government is perfectly justified in proposing the additional taxation embodied therein, but also because, while opening up fresh and perfectly legitimate sources of income to the Indian Exchequer, it is calculated to afford protection to some of our indigenous industries, and to promote the cause of temperance. Sir, to my mind one of the most pleasing features of the Bill is to be found in the list of import duties it is proposed to levy on articles, which hitherto have found a place in the free list, and in the enhancement of the import duties proposed in connection with other articles. The hard logic of resultant facts is bringing home even to confirmed advocates of free trade in Manchester that an indiscriminate application of the doctrine of free trade, irrespective of circumstances, to all commodities and to all countries, is calculated to result not only in material injury in certain respects, but also to mischief in others. It seems to me that the proposed enactment, in curtailing the free list and in proposing an enhancement of duty on others, is taking a step in the right direction. Coming as I do from an agricultural Province, and being myself a member of an agricultural tribe, I welcome the enhanced tax proposed to be levied on sugar and on tobacco as calculated to protect our indigenous sugar and tobacco industries. So far as the list of other articles is concerned, I entirely agree with my Hon'ble friend Mr. Dadabhoy, that the Government of India have framed this list with a great deal of discrimination, and that no serious objection can be taken to any part of it, except to one important omission. That omission has been referred to by almost every speaker who has preceded me, and I entirely endorse the remarks made by them regarding the unfortunate omission of cotton goods from the list of articles upon which import duty is proposed to be levied. At the same time, I recognise that the Government of India are in entire sympathy, as was apparent from the speech of the Hon'ble the Finance Member when introducing the Financial Statement, with the wishes and feelings of the people of this country in regard to this important matter. I am authorised by the Council of the Punjab Provincial Moslem League to offer their thanks to the Government of India for their advocacy of the claims of India for greater fiscal freedom in connection with this particular question. It is unfortunate that His Majesty's Government have decided to negative the proposal put forward by our Government. Let us hope that, when after the termination of the war, this question comes under review, the Government of India will obtain greater liberty, greater freedom

in this particular respect, if not with reference to cotton goods produced within the Empire, most certainly with reference to cotton goods which are imported into India from countries lying outside the limits of the British Empire. Sir, I regard the increase in the salt tax, unfortunate and unwelcome though it is to a very large number of the people of this country, as a war tax pure and simple, and as such I am sure that the people of this country will give it their willing acquiescence. At the same time, I cannot help expressing the wish that, while so far as the proposed enhancement in the salt tax is concerned, the time may come, soon after the termination of the war, when the *status quo ante* will be reverted to; I trust that the rest of the Indian Tariff Bill, which it is now proposed to pass into law, will find a prominent place in the Statute-book of this country. With these few words, I cordially support the Bill."

The Hon'ble Maharaja Sir Manindra Chandra Nandy of Kasimbazar :—"Sir, I cordially support this Bill to amend the Indian Tariff Act. We all fully recognise that an enhancement of taxation has become inevitable on account of the enormous expenditure which is being incurred from day to day on account of the war, which is severely taxing the resources of the Empire. The only observation I should like to make is, as regards the raising of the salt duty from Re. 1 to Re. 1-4 per maund. As the Hon'ble the Finance Member pointed out in his statement made in this Council on the 1st instant, the 'enhancement of the salt tax has always been looked on as a reserve to be utilised when war or other financial calamities should come upon us.' We are in the midst of such a calamity, and, though we may not be quite justified in opposing the raising of the salt tax, I think the Council and the country are entitled to an assurance that there will be no further enhancement of the salt tax in future years, and that, at the earliest opportunity possible, the duty on salt will again be reduced to Re. 1 per maund."

The Hon'ble Mr. Rama Rayaningar :—"Sir, the Tariff Bill demonstrates forcibly the anxiety of Government to find money, not only for war deficiency, but also for employment on the improvement of the people. The Bill is welcome in that the duties proposed have the general approval of the people. If we have to faithfully represent popular views, we cannot but accord our support to the Bill. There are, however, a few particulars in which improvement is both desirable and possible. As the Hon'ble Finance Member himself suggests, the exclusion of the imported cotton piece-goods from the revised tariff is a patent injustice to India. But the official explanation, for which we must thank Sir William Meyer, will have made it clear to the public that the course has been adopted by Government with the sole object of preventing a greater injustice to the country. Evidently sanction to an enhanced import duty could only be secured on condition that a corresponding excise duty should be imposed upon cotton goods manufactured in the country. This last contingency would certainly have proved a greater evil. We wish the efforts of Government had been successful; but now that they have not been, we can only support Government in renewed efforts after the war is over; and we hope that in any fiscal re-adjustment on that occasion, the unjust excise duty should be abolished, apart from the question whether the import duties are altered or not. We attach great importance to the abolition of the excise duty.

"Sir, the exclusion from the Tariff Schedule of the machinery imported for agricultural and industrial development of the country is desirable on principle. I raised this question in Select Committee, but when the Hon'ble Member in charge of the Bill reminded me of the special needs of Government during the war, and pointed out the inconvenience which the exclusion would involve, I did not press the point. I hope, however, that when Government reconsiders this question after the war, this exclusion will receive sympathetic consideration.

"With these observations, I support the Bill."

The Hon'ble Mr. Madhu Sudan Dass :—" The Tariff Bill is intimately associated with the Budget which was presented to this Council the other day. It no doubt shows a change in the fiscal policy of Government. The Hon'ble Members who have spoken and preceded me have referred to the excise duty on cotton and the import duty on piece-goods. When the Hon'ble Finance Member introduced the Budget, he delivered a message to this Council from His Majesty's Government, and that message was, that a controversial question like this should be avoided at this time. It was a message of peace, and at the same time this message of peace was accompanied by an assurance that when the time comes there will be a re-adjustment of the relations between India and England, a re-adjustment when India will have her proper status in the British Empire determined and defined. With that assurance, Sir, I feel it my duty to avoid making any remarks, either with regard to the provisions in the Budget, or the Tariff Bill which may be misunderstood in other parts of the British Empire. This is not the time to say anything which may be construed as proceeding from a spirit of retaliation and retribution His Majesty's Government promise and give an assurance that the day of reckoning will come when peace returns to the Empire. It is not the time to talk of retaliation or retribution when the house is on fire; that is not the time to discuss as to who contributed most towards the construction of the house, and what amount of labour should be undertaken by this person and that person, all of whom are inmates of the house. It is our duty to do all that we can do to show that we are loyal subjects of the Empire, that we are interested in upholding the dignity, the prestige and the honour of the Empire and of our King-Emperor.

" The Hon'ble Finance Member was pleased, in the concluding paragraph of his budget speech, to refer to some words in a Resolution which was passed unanimously in this Council. Though I was originally responsible for those words, those words represent the feeling of the whole country to-day as they did when I moved that Resolution.

" Sir, our duty as Indians, as to what we have been able to do, is not to be discussed now. All that we can say is, that the Hon'ble Finance Member speaks of the salt tax as a reserve to be drawn upon in times of need and necessity. I should go further, and say that the life-blood of the whole nation is a reserve upon which the King-Emperor has a right to draw when the interests of the Empire are in peril. And what can the poor man in India, who has no control over the Military Department and who does not control the war at the present day raging over the whole world do? next to giving his life blood in the battle-field, what can he do better than gladly accept a taxation on one of the necessary articles of daily life?

" I am glad that the salt tax has been introduced. I do not say that the salt tax is ever a desirable tax; I do not for a moment maintain that there is any justification for the salt tax. On the contrary, the salt tax in India has always been considered as a blot on the fiscal policy of the Government of India. But the salt tax has one redeeming feature viewed from the war standpoint; it has a feature which certainly is not to be found in any other tax. The salt tax will affect every Indian, so that by accepting the tax the poorest Indian, the youngest child, the oldest man contributes to the exchequer of India to make up the deficit that has been created by the emergencies of the war, and we have the satisfaction of saying—India will have the satisfaction of proclaiming—that she is not wanting in her duty to her King-Emperor. Once more I refer to the words of the Hon'ble Finance Member that the salt tax is a reserve. Yes, let this be considered as a precedent, let the present occasion be a precedent for the future, that only when the interests of the Empire are in peril let this reserve be drawn upon, but not for other purposes. Salt is not a luxury. There is a craving for it in human nature, I should say in nature. Even wild animals lick saline dust. It is not like other luxuries, for instance tobacco or wine. There is no danger of a man indulging to excess in salt, or getting drunk; it does not lead to any vicious habits; a Maharaja with his huge income does not eat one maund of salt and the poor beggar two pice worth of salt. The enormity of the taxation lies in this fact, that nature has implanted a craving for salt in man. In India, where saline earth is to be found, the Indian is

tempted by the very soil of the country where he was born. The country which he worships as his motherland tempts him. And what is the result? Being a poor man unable to buy salt, if he takes a little saline dust, he is sent to prison for three months or six months, and the man who sends him to prison gets a reward; whereas if a cow were impelled by hunger to trespass on a farm the cow is only taken into the pound and not sent to jail. Here is the enormity of the tax. I do sincerely hope that, when peace returns, this blot on the fiscal policy of the British Government of India will be removed.

"For a small man like me to compliment the Finance Member on the carefulness with which he has prepared the Budget would perhaps be impertinent, but I do feel it all the same because in amending the Tariff Act there was danger of putting too much taxation in the shape of export duty. If that were so after the war people might have said the contributions that India made towards the war fund came from foreigners who paid the export duty. There has been a very reasonable, cautious and careful adjustment which at least secures to India the judgment of the world that, poor country as she is, poor as Indians are, they have not been lacking in their duty to support the honour and prestige and dignity of the Empire. We have done all that we could do. We have proved in the battlefields of Europe that the blood of a British subject, whether he comes from Canada or from India, has the same colour. We have proved that the heart which responds to the tune of the National Anthem is the same whether it is in the breast of an Indian or an Englishman. Let us wait for the day when peace is restored to the Empire, when the day of re-adjustment comes, and let it not be said then, let not any opportunity be given to any man to say then that in the days of trouble India was weighed in the balance and found wanting.

"With these remarks, I support the Bill."

The Hon'ble Rai Sitanath Ray Bahadur:—"Sir, considering the exigencies of the situation and the tremendous sacrifices the present war has entailed upon the British nation, I must say that the several schemes of taxation, formulated for meeting the deficit, are wise, modest and equitable, and that the burdens of taxation have been equally distributed among all classes of people, and as such, coming here as the representative of the Indian mercantile community, I beg to give my humble support to the Tariff Bill, and to add that we, one and all, cheerfully submit to the additional taxes that are going to be imposed. But I must say that, though the Income-tax has been more than doubled in the case of higher incomes, this is hardly the time to murmur and grumble against it, more especially when we see that, even in the case of salt, a prime necessity of life, a slight increase has been made. But I do assure the Council that the increase is so slight that it will not have any effect in raising the price of salt, at least to an appreciable degree.

"With these few words, I beg to give my humble support to the Tariff Bill."

The Hon'ble Sir William Meyer:—"On behalf of Government I greatly appreciate the way in which our tariff proposals, which I need not say caused us great trouble and anxiety, have been received by this Council. Here is a Bill of an elaborate character involving, so far as its Schedules are concerned, material alterations in the taxation of the country, which has been received with general approbation. I need not therefore detain the Council with a further speech. There are certain points in connection with which I might have spoken, but they will come in on subsequent amendments.

"I will only say this that I fully agree with what has been said by my friend the Hon'ble Sir Fazulbhoy Currimbhoy and other members, on the question of the cotton import duties. These members, some of them of long experience in the Council, have recognised what the Government of India would have liked to do had they had a free hand. They have also recognised

that His Majesty's Government having had to take, as I said in my Budget speech, a wider view, having taken the interests of the whole Empire into consideration, have come to a different decision. His Majesty's Government have, on this subject, sent to us what my friend the Hon'ble Mr. Das aptly called a message of peace ; and also, as regards the future, a message of hope. I would earnestly appeal to the Hon'ble Member who proposes to move an amendment on this subject to consider whether, by moving that amendment, by entering into a discussion which may provoke criticisms of His Majesty's Government, which later on those who utter them might regret, he will not be doing more harm than good, whether such a course may not be against the interests of India as affecting the future settlement which will have to be entered into not in any spirit of abstract principle or ruthless bargaining on the one side or the other, but rather as a question which deals, as His Majesty's Government have put it, with the fiscal relationships of all parts of the Empire as between one another and the rest of the world—a question which must therefore, if it is to come to a successful issue, be dealt with by all sides in a spirit of conciliation and of practical give and take. Therefore, Sir, I would ask my Hon'ble friend, who has a certain amendment on the Agenda on the subject of the cotton duties, to consider carefully whether it is expedient at present to press it.

"I conclude, Sir, by once more moving that the Report of the Select Committee be now taken into formal consideration."

The motion was put and agreed to.

The Hon'ble Mr. Dadabhoy:—"Sir, the amendment which stands in my name and which I now beg to move suggests that Government should dispense with the proposed addition of 4 annas per maund to the existing tax upon salt of Re. 1 per maund. I have been anticipated to some extent by some of the previous speakers, but I propose to put my case before the Council in a different shape. I do not agree with some of the remarks which fell from the Hon'ble Mr. Dass on the subject. It will at once be seen that this recommendation forms part of a scheme of re-adjustment of the tariff duties which has for its central object the relief of the poor masses at the expense, not of individuals, but of big companies and merchants in the first instance, and ultimately of the foreign purchasers of jute, raw and manufactured. Had the present amendment stood alone, without any practical suggestion as to how the loss in prospective revenue consequent upon the elimination of the additional salt tax could be made up, it might perhaps be contended that I could not claim a sympathetic hearing either at the hands of Government or of this Council in the difficult and anxious times through which we are passing. But fully alive as I am to the needs of the situation, I supplement the present recommendation by another which ought to dispel all fear of loss of revenue. Of that, however, later on.

"Now, about the form of the amendment. It will be noticed that the addition to the tax is proposed to be made by executive order, as it is open to Government to do. Under the rules, the excise duty upon salt manufactured in India can be altered by an Order in Council, and that procedure has been followed on the present occasion. The proposal about the abandonment of the additional tax, therefore, to be effective must be discussed in the course of the debate on the Tariff Bill. I have accordingly taken advantage of the fact that imported salt forms a dutiable article in that Bill to raise the whole issue by suggesting that duty at the rate of Re. 1 be levied upon that salt, *i.e.*, at the same rate at which salt manufactured in India is taxed. If this amendment is carried, the excise duty upon indigenous salt will perforce remain unchanged at Re. 1 per maund.

"Sir, from the observations I have made in lending my support to the Bill, it will have become abundantly clear that the proposed financial arrangements of the Government generally have my wholehearted approval. I may also say at once that, even in this matter of the additional salt tax, Government have evinced great moderation. But one of the points I beg to emphasise

before the Council is, that the salt tax should be a sort of reserve with us to be drawn upon only in case of extreme necessity, after all the other productive sources of revenue have been fully utilised and exhausted. Mr. Baker, Finance Minister in 1905, justified his action in reducing the salt duty, *inter alia*, thus :—

'The feature which specially commends itself to me in the reduction of the duty is the large and valuable financial reserve which it lays by for a lean year.'

"Then there is the consideration that the salt tax weighs upon the poor. All classes have to pay this tax, it is true, but the major portion of the revenue from it is contributed by the poorest sections of the community by reason of their numerical preponderance. That is a proposition which does not require elaborate elucidation. I will only cite the authority of Lord Curzon in my support. In 1905, in justification of the partial remission of the duty upon salt, he observed—

'What is the tax that touches all classes down to the humblest? It is the salt tax.'

"Again, after referring to the principle that surpluses should be utilised to afford relief to the people, he remarked—

'And who are the people of whom I speak? They are the patient, humble millions, toiling at the well and at the plough, knowing little of budgets, but very painfully aware of the narrow margin between sufficiency and indigence. It is to them that my heart goes out. They are the real backbone of our economic prosperity. They give us nearly 20 millions sterling per annum in Land-revenue alone, or about one-fourth of our entire receipts.'

"Now putting the two extracts together, we get to the fact that, in Lord Curzon's authoritative opinion, the remission of the salt tax meant relief to the masses. The converse is likewise true, and the fact should be frankly acknowledged that any addition to the salt tax *pro tanto* presses upon the masses. This is a matter of arithmetical proof. As Finance Minister Mr. Baker pointed out in 1905, every reduction in duty up to that year had been followed by increased consumption, and every enhancement in duty had checked the rate of increase in consumption. The movements of trade in the subsequent period confirm the truth of the assertion. Unless an additional duty of eight annas was felt by the people, it would not have had in the past a restrictive effect upon the annual normal advance in consumption. In 1889, the salt tax was enhanced by 8 annas a maund. The rate of increase in consumption during the following quinquennium immediately fell from 668,000 maunds a year in the previous period to 272,000 maunds a year. On the other hand, the salt duty was reduced once in 1903 and again in 1905, and in the Financial Statement of 1907 the effects of the successive reductions were described in the following luminous language :—

'Under salt, we had made what seemed to be a liberal allowance for the probable increase of consumption due to the reduction of the duty last March. The results have, however, surpassed our anticipations. By the end of February the issues of salt had exceeded those of the corresponding period of the previous year by 14,38,000 maunds, and we now expect that this figure will have risen to 16 lakhs of maunds by the end of the year. This advance follows on a very large increase of 17,86,000 maunds which occurred in 1904-1905, by which time the first reduction of duty made in 1903 had come into full effect.'

"If past experience and the history of the several changes in the salt tax be any guide to the future, it may be asserted that an additional duty of 4 annas a maund will in the same way proportionately affect consumption. And that contingency would react upon the revenue, and it may be that the actual realisation will fall short of the Budget estimate. But that is the third point which demands the attention of this Council. And all the three points together warrant the conclusion that it will be more politic to leave salt untouched for the present. When I come to deal with the second amendment, I shall be able to satisfy Hon'ble Members that we have not exhausted the other sources of revenue. The estimated revenue of £600,000 can be raised in other ways which, while sparing the masses, will not cripple the economic resources of the country. But I cannot dilate upon this aspect of the question now.

"Sir, it is only fair that I should mention two other points which must be considered by the Council in this connection, and they follow opposite lines of thought. The one is founded upon sympathy with the masses, and the other derives its force from an impatience at the immunity enjoyed by them from the general scheme of contribution towards the cost of the war. It is argued that the pressure of the abnormal financial conditions due to the war may compel us to impose upon salt even a higher duty. When that contingency comes the rise in price will be so sharp as to be distressing to the poor. It is far better therefore that the enhancement should be gradual, and in this view of the case the additional duty of 4 annas is right. Sir, I concede there is apparently something to be said for this contention. I will not say that the contingency is hypothetical. But, assuming for argument's sake that it is imminent, I submit that, in the interest of the ignorant millions, frequent or even successive alterations in salt duty must be discouraged. Such changes only introduce some uncertainty in the market, render a stable basis of calculation difficult, and help the middleman to fill his pocket at the expense of the poor customer. The theory of gradual enhancement does not hold good in salt duty. There is always considerable speculation in the market, and the real effect of taxation upon prices is, for some time at least, obscured by the operations of bulls. The Hon'ble Finance Member has himself referred to the speculative clearances of salt in expectation of this enhancement in duty. It is a matter of common knowledge that, for every slight rise in duty, the price of salt goes up out of all proportion to the additional tax. Only a few weeks ago, at important centres the price of salt became double of what it was before. The imports have doubtless been less for some time; but making allowance for all factors, it is difficult to believe that the inflation in prices was right. Far better, therefore, that the duty which is found absolutely necessary should be levied all at once than that successive additions should be made to the existing duty. This last course will only lead to large accumulations in the hands of the speculators which can never be advantageous to the poor. When stocks are held up prices naturally rise.

"But however divided opinion may be on the question of the relative merits of gradual enhancement and sharp enhancements, I would claim earnest consideration of the question of the suitability of the salt tax in the light of the principle I have submitted to the Council, that this tax should be treated as a reserve to be utilised *in the last resort.* Judged in that way the time for enhancement has not come. We have certainly not exhausted our other sources of revenue. I would therefore ask Hon'ble Members to decide that the proposed enhanced duty should be abandoned, let it be on the understanding that I undertake to show in connection with the second amendment that the revenue can be raised in other ways.

"The other points, namely, that the poor must contribute to the State Fund along with the rich at this time, hardly needs elaboration. Were it a fact that the agriculturists do not pay towards the cost of administration, including defence, anything except the Land-revenue, even then they would be entitled to consideration, because the Land-revenue alone accounts for one quarter of our revenue. But it is not a fact that other taxes besides the salt tax do not touch them. These people at least contribute to the revenue from the customs duties. The bulk of the excise revenue and of the revenue from stamps is realised from them, and they contribute a substantial portion of the railway revenue.

"Sir, I have one other submission to make before I place this amendment formally before the Council. With all the additional taxation provided in the Income-tax Bill, and the Indian Tariff Bill as also by executive order, the Hon'ble Finance Member expects to close next year with a surplus of £1 million. And this figure greatly exceeds the expected revenue from this tax of 0-4-0 annas a maund upon salt. What is the difficulty then of dispensing with this tax? Without it there will still be a surplus of £400,000. The additional salt tax is wanted only to swell the surplus, and that is a principle of taxation to which few will be found to subscribe Taxation with a view to provide a surplus is in itself a policy of doubtful wisdom, and when

the article selected for such taxation is a commodity of prime necessity like salt, it becomes indefensible. I accordingly move :—

'That in column 4 headed 'Rate of duty' against item 39, Part II, new Schedule II, for the existing entry against that item, the figures '1-0' shall be substituted.'

The Hon'ble Sir Gangadhar Chitnavis:—"Sir, the amendment has my support. The Hon'ble Mover represents, to a large extent, the popular view, and there is much to be said in its favour. I do not think the extra 4 annas a maund will force up prices abnormally high. The Hon'ble Mr. Dadabhoy, too, does not justify the proposed change on that ground. He has said in the speech he made this morning that where the rich have cheerfully accepted their responsibilities, the poor should not grumble if there is a slight increase in the poor man's burden. But sufficiency of salt being one of the principal conditions of healthy existence both for men and cattle, too great care cannot be taken to see that the duty upon it is not raised without the gravest necessity; in other words, salt should be taxed in the last resort. This contingency, in the opinion of some people, has not arisen. There are still other sources of revenue not fully used up. I would, therefore, request Government to consider if this tax could be withheld, and the loss of revenue that may be caused by accepting this amendment might be made good by raising the tax on some other commodities."

The Hon'ble Sir Ibrahim Rahimtoola:—"Sir, I am entirely in favour of retaining the salt tax at the present figure of Re. 1 per maund, and I have given notice of a Budget Resolution to that effect. I did not anticipate that the question of the salt tax would be raised in connection with the Tariff Bill.

"The increase in the rate of the salt tax is made under the Salt Act, which gives Government discretionary powers to regulate it up to a maximum of, I think, three-and-a-half rupees. I therefore thought that, as no legislation was necessary for the increase of that tax, the proper procedure would be to move a Budget Resolution on the subject. And, Sir, that would have facilitated matters. We would have known by that time whether the Tariff Act was passed in its entirety with or without any modifications, and whether the Income-tax Act also was passed. We would have then known what the state of the Budget Estimates for the ensuing year would have been, and it would have helped us to consider the question of salt taxation on its own merits after fixing up all other items. However, as the subject has been, raised on the present occasion, I do not wish to dilate upon these matters, as the whole scheme of increased taxation will have to be considered I will confine myself on the present occasion by saying that I am in favour of retaining the salt tax at Re. 1 per maund, and I beg to submit that there are very strong reasons in favour of it. But, with your permission, Sir, I will raise that question when dealing with my amendment, and when speaking on the Income-tax Bill. At present all I wish to say is, that I am in favour of retaining the salt tax at Re. 1."

The Hon'ble Pandit Madan Mohan Malaviya:—"Mr. Vice-President, I give my hearty support to the amendment which is before the Council. It seems such a pity that a Budget which is marked with so much sanity and considerateness, as the present Budget is, should have one feature in it which is exposed to serious attack. I do not know that there have been many Budgets which have been received with so much general satisfaction as the Budget which Sir William Meyer has presented to this Council. That seems to me an extra reason why the amendment should be pressed on the attention of the Government. I do not wish to cover the same ground which has been traversed by my friend Mr. Dadabhoy. I think two points are clear. In the first instance, there are other articles upon which a duty can be imposed more justifiably than upon salt. In the second place, as it is after all a surplus which is being provided for, the surplus might be a little less than

what is provided for in the Budget. On both these grounds, I beg Government to take the matter seriously into consideration. There can be no dispute that the amount by which it is proposed to increase the salt duty is moderate. It has been fixed very considerately, and for that the Finance Member and the Government of India are entitled to our gratitude But what I submit, and several other members have submitted, is that there is not such a clear need for putting this extra burden upon the poor, and that therefore the matter might well be reconsidered. This is hardly the time, speaking on an amendment to this Bill, to go into the general question of whether the amount that has been budgetted for was actually necessary, whether by further curtailment, by a further general retrenchment of expenditure, the amount could not have been reduced; but taking it as settled that this amount must be found, we are entitled to say that, as there are other articles upon which the duty might more reasonably be increased, and other ways in which the amount needed may be found, the duty on salt should not be increased. I hope the Government will take this matter into serious consideration, and not throw out the amendments as they are generally thrown out merely because the thing has once been settled."

The Hon'ble Sir William Meyer :—"Sir, I have greatly admired the ingenuity by which Mr. Dadabhoy has succeeded in getting the salt duty within the scope of the present discussion. There is, however, one little development which, with all my friend's ingenuity, he has not perhaps quite appreciated, or the Council either. The Schedule, as it stands, says that imported salt shall be subject to the same rate of duty as is imposed by executive order of the Governor General in Council on salt which is produced in India. Well, we have already issued a notification that salt produced in India is to be taxed at Re. 1-4 per maund. Mr. Dadabhoy now proposes that, in this Schedule to the Tariff Bill, we should limit the rate of duty on imported salt to Re. 1 a maund, and therefore he is giving a preference, I am sure not deliberately, to the imported article. That of course is a debating rather than a practical point, for I have no doubt Mr. Dadabhoy would argue that, if his proposal were carried, the Government would be necessarily led to amend the excise rate also : but I mention it as an instance of what may happen if you do not very carefully consider amendments which you have to suggest, and if you do not consider their eventual as well as their immediate effects.

"I have shown in my speech on the Financial Statement that the taxation of salt is not a matter which the Government of India have taken up lightly or inadvisedly; that it was only after careful consideration that we made the small rise which, some Hon'ble Members have admitted, will not in itself affect prices much; and, even so, that the taxation will be lower now than it was nine years ago in a period of peace, and far lower than it was in the time of Lord Curzon, from whom Mr. Dadabhoy has quoted. I must remind the Council that, at the commencement of Lord Curzon's Viceroyalty, the salt duty stood at Rs. 2½ per maund. It was reduced to Rs. 2 in 1903, and to Rs. 1½ in 1905, shortly before Lord Curzon left office The reduction to Re. 1 took place later. It has been admitted by the Mover of the amendment that one object of these successive reductions of salt tax—he quoted one of my predecessors, Sir E. Baker, to that effect—was to provide a financial reserve against lean years. I gather, however, that he thinks that the years are not yet sufficiently lean to justify our drawing upon this reserve. Well, if so, he is very hard to please. We had a big deficit in 1914-15; we have another big deficit this year though, thanks to the exemplary conduct of our railways, it is not so large as was originally anticipated; and we have a still larger deficit to face in 1916-17. We have got, besides that, a load of temporary debt which we incurred rather than impose taxation before we felt actually obliged to. Well, I say a position like this is emphatically a position in which we are entitled to draw on our salt reserve, and so far from the drawing being unjustifiable, I can claim some credit to the Government in that they have taken so little from salt. The Hon'ble Mover quoted statements by predecessors of mine as

to the immediate effect of the reduction of salt duty on prices, and he argued therefore that there will be a counter-effect through an enhancement. Certainly, after the reductions from Rs. 2½ to 2 and Rs. 2 to 1½, the Government of India had evidence that these reductions of duty were materially affecting both prices and consumption. But now let me quote what was said by my predecessor in respect of the year 1908-09, shortly after the salt duty had been reduced to its existing pitch of Re. 1. In introducing the Financial Statement for 1909-10, and in dealing with the Revised Estimate for 1908-09, Sir Guy Fleetwood Wilson had to comment on the salt revenue, which was considerably less than had been anticipated in the Budget, and he said :—

'Ever since the recent series of reductions in duty began six years ago, there has been a steady annual increase in consumption. A point, however, seems now to have been reached at which the purchasing power of the people is affected much more by agricultural conditions than by the purely nominal rate of duty.'

I think that this applies still ; that prices and consumption are affected much more by other circumstances than by the small rise which the duty itself brings about. For example, Mr. Dadabhoy talked of the large increase, recently, in the price of imported salt. That is purely due to considerations of freight—that is special conditions caused by the war ; and any increase which is contingent on the rate of duty will be trivial compared with what may be brought about by the dislocation of freight. I am happy to believe, however, that the supply of imported salt will presently resume its normal proportions. I may remind the Council, Sir, that, as 'every cloud has a silver lining,' I believe that the rise in the price of Liverpool salt has materially enhanced the demand for Madras salt, and probably for Northern India salt also. Mr. Dadabhoy, in dealing with the financial aspect, has two strings to his bow. I will refer in general terms, as he has himself done, to the amendment which he is going to move as to jute, and by which he offers to supply the Government with the revenue that they would lose under his present proposal. We shall come to that amendment in due course ; but it is only fair to the Council that I should say now that we have considered the matter, and we think that by imposing export duties, amounting approximately to 5 per cent on the jute trade, we are doing as much as we can reasonably do. That if we were to double the duties, as Mr. Dadabhoy proposes, we should diminish the volume of trade to an extent which would inevitably hurt the producers, the Bengal ryots.

"Then the Hon'ble Member says, 'Oh, but apart from that you have too much money ; you have a surplus of a million pounds, you should have less ; you can do with £400,000.' I can only say, as responsible for the finances of India, that I could not possibly agree to such a proposal at a time like this, when we are subject to all sorts of unforeseen contingencies. We have to grope very much in the dark in some cases as regards our estimates. As the Hon'ble Sir Fazulbhoy Currimbhoy put it very well a little time ago, you cannot have precision in circumstances in which ordinary data do not apply. Take the current year, for instance, we had a large increase in military expenditure which had to be accepted as a matter of necessity. Latterly, railway receipts rose to an extent that no reasonable person could have predicted beforehand ; if anybody had said a year ago that railway receipts would have reached their present figure, he would have been laughed at. We have had then, to provide for an increase in military charges which has been more than counterbalanced by railway receipts. But supposing it had not been so, supposing that against the increase in military charges, railway receipts had only come to very much what we expected in the Budget—well, we should then have had a deficit of about 4 millions this year. In the year for which we are legislating, 1916-17, we don't know what a day may bring forth ; we may have to make further provision for military charges—circumstances may easily occur in which we may have to add to them ; and on the other side, railways may not prove so successful from a financial point of view ; also as the Hon'ble Sir Fazulbhoy Currimbhoy indicated, our Customs revenue may fall to a larger extent than we have anticipated, and there is the question of the monsoon. We have anticipated a normal South-west monsoon ; we hope that it may be so—may, that it may be abundant ; but it may be that it will be unsatisfactory.

With all these contingencies before us, with no possibility of borrowing from home, and with a large load of temporary debt hanging over us, we should not be doing our duty to the country if we were to say that we can sail safely through with an estimated surplus of only £400,000.

"For these reasons, Sir, I am unable to accept the amendment."

The Hon'ble Mr. C. Vijiaraghavachariar :—"Sir, it seems to me that this amendment relating to the duty on imported salt can be separated from the question relating to the increased tax upon salt manufactured in this country. The rate of duty on the former is as follows—'the rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place'. Under section 7 of the Act the Governor General in Council is empowered to impose an excise duty not exceeding Rs. 3 per maund. Under that section a notification was issued on the 1st of this month increasing the duty by 4 annas per maund, and the Tariff Act says—and the present Bill retains this provision—that there being this automatic relation between excise duty and the duty on imported salt, the latter duty is also increased to the same extent. If the amendment is accepted, it puts an end to this relation. The amendment urges that in column 4 headed 'Rate of duty' against item 39, Part II, new Schedule II, for the existing entry against that item the figures '1·0' shall be substituted. It does not in the least affect the notification issued by the Government of India on the 1st of March this year. If we accept the amendment, we get rid of the entry which establishes a relation between the two kinds of duties. I believe to that extent this is a mischievous fiscal principle, namely, that the duty on imported salt should be the same as the duty on salt manufactured in India. If we get rid of this mischievous principle, I do not see that any serious consequences will follow, that Government revenue will lose or that the amendment will produce the disastrous consequences which the Hon'ble the Finance Member has humorously pointed out. Without going into the question whether Re. 1 or Rs. 1-4 is a fair tax, or into the general question of the expediency of an increased duty on salt manufactured in this country, I feel I am in a position to support this amendment because it virtually and by necessary implication, gets rid of a vicious fiscal principle."

The Hon'ble Khan Bahadur Mian Muhammad Shafi :—"Sir, I would appeal to my Hon'ble Friend Mr. Dadabhoy to withdraw the amendment which is now before the Council. My reason for making that appeal to him is this—that if the figures which he suggests should be substituted for the words which find place in the fourth column as against this particular head, the result will be that, supposing after the termination of the war the Government of India is in a position to reduce the salt tax to a figure below Re. 1, then in that case a further amendment to this Indian Tariff Act will have to be introduced in this Council in order to set matters right. Now, whereas such an amendment as regards salt manufactured in this country can be brought about by merely an Order in Council, to give this Council the trouble of introducing an amending Act such a short time as one or two years after the passing of the present Act, would be opposed to all notions of sound legislation.

"So far as the views of the Hon'ble Mr. Achariar are concerned, I do not propose to discuss them at all. The object which my friend Mr. Dadabhoy has in view has my hearty support, but I think it can be achieved in a much better way, as suggested by the Hon'ble Sir Ibrahim Rahimtoola, in the form of a Resolution in connection with the Budget. The method adopted by Mr. Dadabhoy will result in two things: first, it will reduce the duty in imported salt unnecessarily, and, in the second place, it will necessitate a further amendment of the Indian Tariff Act if, after the termination of the war, the Government is in a position to reduce the salt tax by means of an Order in Council. Under these circumstances, I think that the view taken by Sir Ibrahim Rahimtoola is really the better of the two."

The Hon'ble Mr. Dadabhoy:—"Sir, I am afraid I cannot add very much to what I have already said on this very important subject. The Hon'ble Finance Minister has rightly taken exception to the form of my amendment; but I think that to a certain extent the explanation which I propose to offer has been partly given by my friend the Hon'ble Mr. Achariar. It was my great desire that a full discussion on this very important subject should take place, and that the Government should be in possession of the opinions of the non-official Members of this Council regarding it. There was no other way of forcing this discussion in the debate on the Tariff Bill, except by putting my amendment in the form in which I have presented it. I am of opinion, and the Council will agree with me, that as these Bills were brought up for final discussion, if any practical or useful result was to follow, it was necessary that this discussion should take place before the Bills became the law of the land. The discussion on this subject on the 9th instant would have been only of an academical character, and would not have helped either the non-official Members or the Government in any way. It was for this reason, and in order to get a hearing in time, that I drafted my amendment in this manner, perfectly confident that if Government removed the extra duty on imported salt, they would necessarily have to reduce the duty on Indian salt. It would have been an inconsistent position for Government to take up to continue the duty on Indian salt and to throw up the duty on imported salt. Swayed by this consideration I framed my amendment in its present form, and there was no desire, as suggested by the Hon'ble Finance Minister, to put imported salt on a footing of advantage.

"Now, Sir, as regards the merit of my amendment, I must say that I heard with the greatest interest and with very great respect what has fallen from the Hon'ble Finance Minister, but I must say that I am not able to agree with him in the conclusions he has drawn. His justification, Sir, for the imposition of this tax is this, that he had last year big deficits in the anticipated revenue. It has been further contended that the duty, though increased, now stands lower than it was nine years ago. Is that any answer to the principle of the tax? I have pointed out that, according to the deliberate pronouncements made by this Government from time to time, it is settled that this tax is to be kept as a reserve in case of urgent necessity. I am afraid the Hon'ble Finance Minister has taken a very pessimistic view of our financial position. I believe that at the end of the year there will not be any deficit; but I expect, on account of all these taxes, there will be a large surplus. I am sure the Hon'ble Finance Minister does not want this Council to believe that in having this taxation and in estimating this Budget, the exact revenue that would be yielded by this additional taxation has been counted upon. I have been in this Council for some years, and if my knowledge counts for anything, I have found that in all Budgets, in estimating the revenue, the Government allow a margin of ten per cent., and I have no doubt that if that margin is taken into consideration, the revenue which would be obtained from the general increase of taxation would be very considerable.

"The Hon'ble Finance Member has very rightly referred to one subject on which I am entirely in agreement with him. He has stated that we are unaware to what extent our military expenditure is likely to increase. I quite see the force and the wisdom of this remark. I well believe it is possible that developments on the frontier or other affairs might lead us into extra expenditure; but it would have been better if the Hon'ble Finance Minister had taken the Council into his confidence, and had made it clear in his opening statement, that he required this money for future expenditure in connection with our frontier and other difficulties.

"Sir, at this stage it would not be possible for me to go into the other Resolutions. I have placed a constructive scheme before Government. I do not ask that our revenue should be lost in any way. I freely acknowledge, and I am fully conscious of, the fact that we are at present in a state of crisis. Everything in our power should be done to husband our resources and to collect the available revenue; and we must be prepared for any emergency

that may arise. But, by a little more care we could have readjusted our taxation in such a manner that it would have yielded the revenue which the Government wants without in the least causing any difficulty, oppression or inconvenience to the masses.

"Sir, I know the fate of my amendment: it will be lost. But my chief object in bringing it forward was, that my Hon'ble friend the Finance Minister should not be tempted next year to put a further additional duty on salt; that he should be aware of, and he should know, the opinions of the country and of the Non-official Members of this Council in this matter. I think it our duty to help Government in every possible manner; we are pledged to support the Government. The whole country wants that our enemies should be crushed, and that all possible sacrifices should be made by us. We are prepared for sacrifices; we do not wish to cause any embarrassment to Government by showing to the foreign public that officials and non-officials to-day are divided on any important matter. From these considerations, I withdraw my amendment; but I hope that the Hon'ble Finance Minister will be pleased to bear in mind that behind this amendment there is a large volume of public opinion which considers that this tax is obnoxious and entirely unjustifiable.

"With these few words, I will ask you, Sir, to give me permission to withdraw my amendment."

The amendment was, by permission, withdrawn.

The Hon'ble Sir Ibrahim Rahimtoola:—"Sir, I beg to move—

'That in column 4 headed 'Rate of duty' against item 51, Textile Fabrics, Part II, new Schedule II, for the figures and words '3½ per cent' the figure and words '6 per cent' shall be substituted.'

"In moving this amendment I take due note of the appeal which the Hon'ble Finance Member has made to me not to press it. I would have willingly acceded to that appeal were it not for the fact that I am placing this amendment before the Council with more than one object. The principal object with which I wish to place this amendment before the meeting, is to give expression to the views I hold in regard to the scheme of additional taxation which is under the consideration of this Council, and I cannot very well therefore accept the appeal and not place my amendment before the meeting. The other object with which I wanted to place this amendment before the meeting, was in connection with the pathetic admission of helplessness which is contained in the Finance Minister's lucid and eloquent Financial Statement, and with which I entirely sympathize, particularly so, as the position is that the Government of India have the advantage of representation and hearing before a final decision is reached by the Secretary of State, while we, the Non-official Members, have to submit to the decisions in some cases arrived at by the Government of India on our Resolutions without knowing our reasons. Sir, in view of our own helplessness, you can appreciate that we cordially sympathize with the helplessness of the Government of India in this particular respect.

"I wanted also to add that we gratefully acknowledge the service which the Government of India has done to the people of this country in correctly representing the views of the public before the Secretary of State in this matter, and I hope that in future they will continue to reflect the public opinion in India and press to the notice of the Secretary of State the strong views and convictions held by the people of this country in fiscal and in economic matters. Sir, in view of the appeal made, I will largely modify the remarks I intended to make in connection with this aspect of the question. I recognise the desirability of not raising any acrimonious or contentious discussion on the attitude adopted in regard to the cotton excise duties by the Secretary of State. If I have another opportunity, I will reserve my remarks for that occasion.

"The reason why I have brought forward this amendment is to provide the necessary additional revenue for the purpose of bringing about an equilibrium in the Budget estimates for the ensuing year. The estimated deficit is £2,600,000. The estimated revenue from the amendment of the Tariff Act will bring in £2,100,000, so that there will still remain a deficiency of £500,000 between the estimated deficit and the additional revenue obtained under the Tariff Act. As I said, my second object in bringing forward this amendment was to provide the necessary additional revenue of over £500,000 which will be secured if my amendment is carried, and in that way our expenditure and our revenue will equibalance. I do so for this reason. I wish to submit that, having secured an equilibrium in our finances, there is no justification for either the amendment of the Income-tax Act or the increase of the salt tax. If you secure, as I want the Government to secure, by my amendment, the additional revenue of £500,000, bringing the total revenue up to the total estimated expenditure, we will have a Budget with practically the same amount of revenue and the same amount of expenditure, and the case for further taxation in regard to income-tax and salt duty would then, in my opinion, not stand. Sir, I do not propose to deal with that question on the present occasion, but I will reserve my remarks in opposing the principle of the Income-tax Bill, and I will then try to explain why I feel that the Budget estimates, where expenditure and income equibalance, or even where, if my amendment is defeated, after I have offered the additional revenue it would be best in the interests of Government as well as the country, to have a deficit Budget of £500,000. The responsibility for the deficit will be theirs if they reject my amendment, because I am providing by this amendment the additional revenue which they require from a source, be it remembered, in regard to which the Government of India are themselves agreed, and in regard to which there is practically a unanimous feeling in the country. So that the position that arises is this. The Government of India come to this Council and announce that their Budget estimates show that during the next year there will be a deficiency of £2,600,000; their revenue proposal in regard to the Tariff Bill will bring in a revenue of £2,100,000, and they therefore want £500,000 more to make up the deficit and a million more for the surplus. It is for that reason that they want an increase in the income-tax and an increase in the salt tax. Sir, I beg to submit that we, the Non-official Members are quite willing to agree to provide the necessary funds by additional taxation to the extent of your estimated deficit, that is £2,600,000, and that the difference between the estimated deficit and the revenue under the Tariff Bill can easily be made up by increasing the duty on textile fabrics imported into India, both from Great Britain and Japan by the same standard of increase to which every other commodity is going to be subjected. If that is conceded, then there is an equilibrium between revenue and expenditure, and no case remains for an income-tax increase or for the salt tax increase except to provide a surplus. As I said, I do not wish to go into that question on the present occasion; I will deal with it in opposing the Income-tax Bill. My present object is to offer to Government in the shape of this duty—a duty which, as I have already stated, is favoured by the Government of India and is acceptable to the country—additional revenue from that source. Sir, it appears to me that it is rather hard that when the Government of India want the revenue, when the country is willing to agree to give them that additional revenue from a source which is agreeable to themselves, that they should be debarred from doing so and in that way necessitate the proposal for the increased salt tax. I should like to point out that the refusal of the Secretary of State to allow us to get £500,000 from this source is really responsible for the increase in the salt tax against which so much feeling has already been expressed in this Council. The revenue from the increase in the salt tax is £600,000, while from this source anything between £500,000 and £550,000 may well be expected: so that this refusal is tantamount to ordering an imposition of an additional 25 per cent on the salt tax, a thing which I do not think, can, in my opinion, be justified. Sir, I am restraining myself considerably in view of the appeal made to me, but if for any reason the standard

of increased taxation is applied to textile fabrics—that is to say, under the present standard of import duties we are levying a 5 per cent *ad valorem* duty on imported goods while textile fabrics pay only 3½ per cent—if the standard is going to be increased and we are to have an all-round increase of 2½ per cent in the standard, raising it from 5 to 7½ per cent, all I want is that the same standard should be applied to textile fabrics. Under a standard of 5 per cent the rate of duty for textile fabrics is 3½ per cent I therefore say that, when the standard is raised to 7½ per cent, the rate of duty on textile fabrics should be raised to 6 per cent, that is a general rise of 2½ per cent all round.

"Then, Sir, be it remembered that this increased taxation is for revenue purposes. Under ordinary conditions there would have been hardly any justification for increased taxation. Under present conditions India, along with other component parts of the British Empire, has suffered and is suffering in consequence of the war, and it is because of war conditions that justification is found for increased taxation for purely revenue purposes, to make up a deficit in our expenditure. Surely, Sir, that was one reason why, under present conditions, with a Coalition Ministry and a Secretary of State, the son of the champion tariff reformer, we might have been allowed to arrange our revenues in accordance with the sentiments of the Government of India and the sentiments of the people of the country. We are asked to await the readjustment that will take place after the war in regard to our fiscal matters Sir, hope is eternal and we live in hope, but I do trust—I am not dealing in detail with the reasons that have been advanced—that the Government of India will forcibly bring to the notice of the Secretary of State that the feeling in the country is strong and insistent in favour of fiscal freedom, and that they will not be satisfied by any reasons of the kind that have been advanced now and in the past; that they desire that India shall economically rise and be free to levy taxation in directions most suitable to themselves, to their views and to their sentiments.

"Sir, I trust that my amendment will be accepted, and that we will have a Budget in which the revenue will balance the expenditure, and there will be no additional taxation on incomes or salt. For these reasons, Sir, I will put my amendment to the Council, in the hope that the financial re-arrangement that will be ultimately adopted by the Government of India will be such as to be acceptable to the people of this country. I may, in conclusion, say that if for any reason it is impossible for the Government of India to accept the amendment, I should very much like them to consider an export duty on raw cotton in order to give them sufficient to make up the deficit, on condition that there shall be no increase in either the income-tax or in the salt tax.

"With these remarks, I beg to place my amendment before the Council."

The Hon'ble Pandit Madan Mohan Malaviya:—"I support the amendment which has been moved by my Hon'ble friend Sir Ibrahim Rahimtoola. I know very well that with the expression of opinion which we have before us of the Hon'ble the Finance Member of the Government of India, there is absolutely no chance of this amendment being accepted by this Council as it is constituted. And yet if I think it my duty to join with my friend in supporting it, it is only to record a protest, a respectful but firm protest, against the action of His Majesty's Government in this matter.

"Sir, we fully realise the position of the Government of India. We feel grateful to them for having placed our view of the matter fully and clearly before His Majesty's Government; but we wish that His Majesty's Ministers, the Secretary of State for India and others who might have advised him in this matter, realised how their refusal to permit the Government of India to make a material increase in the cotton import duties is regarded in India. They have done so on the ground that, in their opinion, the raising of this question at the present time would provoke a revival of controversies at a time when they

specially desired to avoid them, and that this might prejudice the ultimate settlement of the larger issues raised by the war. But if, Sir, this gives us an idea of the way in which the settlement of those larger questions after the war is to be made, I must say that I do not feel happy or hopeful. Here is the present crisis, when in order to meet the new demands which have to be met owing to the conditions generated by the war, the Government of India have to resort to additional taxation. They have to resort to taxation not in one direction but in various directions, to taxation from top to bottom; to taxation which, it may be said with perfect truth, does not leave one single man untouched in this country. If at such a juncture, the Government of India made an appeal to the Government in England to allow them to increase the import duty on cotton goods, as the import duty on numerous other articles was being increased, there could not be a more reasonable, a more just, request made to them. And what is the reason for which this request has not been granted? Because, say they, there is likely to be a controversy over it, but a controversy is not avoided by refusing a reasonable request. It would have been avoided to a far greater extent if His Majesty's Ministers had recognised that this was just the time when, in view of the very stringent circumstances in which we were placed, in which we were driven to resort to taxation of numerous other articles, they should in fairness have allowed us to increase the duty on cotton goods.

"It has been said, Sir, that after the war, the question of an Inter-Imperial trade is to be taken up, and in that connection one of the speakers, the Hon'ble Sir Gangadhar Chitnavis, referred to the question of Preferential Tariffs. Might I warn my friends that they should be under no delusion in that connection? That they should clearly realise what that might mean? I will refer them to what was said in one of the Preferential Tariff Reform League pamphlets a few years ago on this subject. I quote from an article in the 'Indian Year Book,' in which it is stated:—

'Some idea of the direction in which a scheme of Inter-Imperial Preferential Trade would tend, so far as India is concerned, may be gathered from the following extract from the Official Handbook of the Tariff Reform League:—

'Preference would mean to India that the United Kingdom and the Colonies would give freer entry to Indian tea, coffee, sugar, wheat and all Indian staple products; and it would mean to us that the Indian import duty on a large number of British manufactures would be either abolished or reduced.'

That shows that that is one of the directions in which the ultimate settlement may come about. But I do not want to allow my judgment on the question before us to be affected too much by a consideration of what may possibly happen, because nobody can feel certain what will happen. I wish, however, to say that His Majesty's Ministers in England would have inspired greater hope and confidence in the minds of Indians regarding the character of the ultimate settlement of the larger issues after the war, if in a matter in which the Government of India, supported by the Indian public, have for the last 30 or 40 years asked for freedom of action, they had allowed them that freedom, allowed them to increase the import duty on cotton goods, when they felt it their duty to increase them. It is not, Sir, they who send manufactured cotton goods to India who would have had to bear the burden of the increased duty. It is the people of India, the consumers, who would have had to bear it, to pay a larger price for the articles on which the duty were levied. But they would not be the poorest of the poor, but the richer classes who consume the finer imported fabrics. From every point of view, therefore, His Majesty's Ministers should have allowed the Government of India, who are in possession of all the facts of the case, who are in possession of the opinion of the public of India, to increase the import duty on cotton goods when they considered it to be just and equitable in the circumstances of the case to do so and we can not too strongly protest against their refusal to do so.

"With these remarks, I support the amendment proposed by my Hon'ble friend opposite."

The Hon'ble Sir William Meyer:—"Sir, I had hoped that after what I said a little time ago, the Hon'ble Sir Ibrahim Rahimtoola would consent to drop this amendment. My appeal has been ineffective, as he has thought it his duty to press it, principally as I gather, in order that he may air his objections to paying increased income-tax, objections which might have been more suitable on another occasion. I have however nothing to complain of in the tone of his speech, or in that of my Hon'ble friend Pandit Madan Mohan Malaviya. But the matter is a practical matter. The Council know that the Government of India would have been glad had they been able to increase the import duty on cotton goods; but His Majesty's Government, for reasons of Imperial policy, have said it is not desirable to do this at present. Obviously, however much the Hon'ble Sir Ibrahim Rahimtoola may object to it, we in India are, in political and Imperial matters, subordinate to His Majesty's Government at home. We must look at facts as they are, not as he might wish them to be. We cannot, therefore, accept an amendment which involves practically going against the views expressed by His Majesty's Government. We cannot possibly do that. Supposing even a state of things in which the official majority might become inoperative, and such an amendment could be got through; what would happen? We should have to drop the Bill altogether, because the Secretary of State would certainly veto a Bill which contained a provision of this sort. So that the proposal is not really practical.

"The Hon'ble Sir Ibrahim Rahimtoola says that his object in moving this amendment is to get sufficient money just to meet the deficit, and therefore to drop the salt tax, and above all the income-tax. Well, in the first place, I do not accept the statement. But supposing we had had our way in this matter, suppose we had been able to increase the duty on imported cotton goods, I deny that we should necessarily have raised a full £2,600,000 from the customs instead of £2,100,000. We should have had to consider other matters. I will say this, that the Government of India would certainly not have been a party, at a time when increased taxation was necessary, to leaving the well-to-do alone in the matter of income-tax. Whatever had happened we should have put on the tax there

"Then I must protest against the implication that it is His Majesty's Government that is specifically responsible for the increase in the salt tax. As I said when replying to another amendment just now, we considered it only safe that we should have a fairly large surplus for the current year, and towards that the increase in the salt tax is contributive. It is not right that the Council should assume that if we had been able to tax cotton goods somewhat more, the salt tax would necessarily have remained as it was before. I cannot argue upon hypotheticals; the Council won't expect me to do so. But I do protest against the unfairness of branding His Majesty's Government, so to speak, as being specifically responsible for the increase in the duty on salt. I trust that now the Hon'ble Sir Ibrahim Rahimtoola will withdraw his amendment, but if not, I must ask the Council to reject it."

The Hon'ble Sir Ibrahim Rahimtoola:—"Sir, I will be very brief in replying to the debate on the question of this amendment. There is one particular point to which I crave your leave to refer, and that is in regard to the reply given to the statement made by me that but for this refusal to allow additional taxation on textile fabrics the salt tax would not have been necessary. Sir, the scheme of additional taxation in the Financial Statement so lucidly expounded to us, as I said before, by the Hon'ble Sir William Meyer is that there is an Imperial deficit of £2,600,000, and that the additional revenue proposed to be recovered is £3,600,000, leaving a surplus of £1,000,000. Does it not stand to reason, in view of these facts, that if you had from £500,000 to £600,000 of additional revenue from the increased taxation on cotton fabrics, you would have a corresponding reduction in other directions? Does it not follow, in view of the opinion held by the Hon'ble the Finance Minister that the well-to-do should be taxed and the income-tax should there-

fore remain, that the necessary and logical conclusion would be that, if you could have secured an additional 5 or 6 hundred thousand pounds from cotton fabrics, you would not have increased the tax on salt? I think that the connection is so apparent that it cannot be disputed. Even assuming that a case exists—which I think does not—for getting a surplus in a year like this by additional taxation, here you have from 5 to 6 hundred thousand pounds to be obtained from this additional duty; and surely with the great sympathy which the Hon'ble Sir William Meyer really has for the poor, the tax on salt would have been knocked on the head. Therefore, by refusing to sanction this as represented by the Government of India, the increase of salt tax has become essential and necessary, and therefore, in spite of what the Finance Minister has said, I remain unconvinced and attribute this increased taxation to the refusal of His Majesty's Government. Sir, I know that the Government of India are subordinate to His Majesty's Government. It is no new thing; the Non-official Members have been constantly and repeatedly told that, though they call themselves the Government of India, they are, in reality, the agents of the Secretary of State, and that as such they have got to carry out the orders and the mandates of the Secretary of State. That is, it will be conceded, for a country of the dimensions and importance of India, a very humiliating position; and if we, the Non-official Members, have been and are in season and out of season pressing this point, it is in the firm conviction that our considered views will have ultimately the desired effect of having the Government of India, being really the Government of India, co-operating with us the Non-official Members, and justifying each measure in answer to our criticism and not sheltering themselves behind the orders of the Secretary of State. Sir, that is a consummation pre-eminently to be desired, and I may assure you, Sir, that we, the Non-official Members, will keep on pressing the point to give more powers to the Government of India in order that the administration may be carried on in co-operation between the officials and the people of this country. If this subject comes on repeatedly before this Council for consideration, it will be excused because we mean to bring it constantly and repeatedly before this Council. Sir, I have given an opportunity to Government to get the additional £500,000 they need to make up the deficit. If they will not have it, if they will not have Mr. Dadabhoy's amendment for additional jute duty, if they do not want additional revenue from the sources we indicate and which we are prepared to pay, I hope that they will, when I oppose the income-tax increase and the salt tax increase, give me sympathetic hearing and agree, for reasons which I propose to advance, that no case exists for any increase in these directions. At all events, if there is a case, the Government of India are themselves responsible in refusing to take the £500,000 which we are ready and willing to offer to them to make up the deficit. For these reasons, Sir, I will not withdraw my amendment; I will let it be defeated, because I wish to show, and I hold, that the responsibility of rejecting it is the official majority."

The amendment was put and negatived.

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, in view of the discussion on the previous amendment, I beg leave to withdraw the amendment that stands in my name, namely:—

'That in column 4 headed 'Rate of duty' against item 51, Part II, new Schedule II, for the figures and words '3½ per cent,' the figures and words '7½ per cent' shall be substituted."

The amendment was, by permission, withdrawn.

The Hon'ble Mr. Dadabhoy:—"Sir, it is unnecessary for me to press this amendment now. I may say that I particularly selected jute as I got the cue from the able speech delivered by the Hon'ble Mr. Stewart, as President of the Bengal Chamber of Commerce on 29th February last, when referring to the expected export duty, he pointed out that the 'proposed tax as a means of raising revenue, is not at all an unattractive proposition.' But as

my amendment about the reduction of salt duty has been withdr wn, I now formally withdraw this amendment also namely :—

'That in column 4 headed "Rate of duty" against items 1 and 2, new Schedule III, the following amendments shall be made, namely :—

1-4	shall be substituted for	0-10
4-8	" " " "	2-4
20-0	" " " "	10-0
32-0	" " " "	16-0'

The amendment was, by permission, withdrawn.

The Hon'ble Pandit Madan Mohan Malaviya :—"Sir I beg to move—

'That in new Schedule III, after item 3, the following item shall be inserted :—

'3A	Wheat	Indian maund of 82$\frac{2}{7}$ lbs. avoirdupois weight	0	4'.

I see from the figures mentioned by the Hon'ble the Finance Member in his speech, that last year a profit of about 22 lakhs was made on the transactions on wheat. The proposal which I put forward would bring in about 39 lakhs at export duty. If it were not for the fact that a profit of £150,000 was made last year, and as I understand from the speech of the Hon'ble Finance Member, that it is proposed to keep up the same arrangements this year, I would not have proposed an export duty on wheat at this time. If the wheat scheme is to continue, then I submit it would be a better policy to impose an export duty on wheat We have an export duty on rice, and it is desirable that we should have an export duty on wheat for two reasons, firstly, because it will bring us a fair amount of revenue which we need, and secondly, because it will help somewhat to keep down the price of wheat in the country. In the speech of the Finance Member we are reminded in many places that it was largely in the interests of the Indian consumer that the wheat scheme was taken up and is to be continued. My proposal will work towards the same end. Of course, we do not want any wheat of ours to go to the enemy; we want it to go to the United Kingdom, and to those whom the Government of His Majesty wish to help; we want that policy also to be kept up; but if that policy is kept up, and if about 22 lakhs or so is to be made as profits of that policy, it seems to me that the Government might well recognise the propriety of putting an export duty of 4 annas a maund on wheat. With these remarks. I leave the amendment in the hands of the Council."

The Hon'ble Mr. Low :—"Sir, I regret that I must oppose this amendment. The Hon'ble Pandit Madan Mohan Malaviya has stated that, in his opinion, an export tax is preferable in its operation to the wheat scheme. I trust I correctly understood him in his statement, for it filled me with a certain amount of surprise. It was explained by you, Sir, in your place in this Council about a year ago, under what circumstances the Government of India found it necessary to undertake the conduct of the wheat scheme."

The Hon'ble Pandit Madan Mohan Malaviya :—"May I interrupt my friend for a minute? I do not wish that any arrangements under which our wheat is supplied to His Majesty's Government, and at their wishes to other countries, should be altered. I do not in the least desire that it should be left to anybody and everybody to export wheat wherever he liked. I only wish that an export duty should be imposed on wheat without prejudice to the present arrangements. My suggestion does not go against them; it seeks to impose an export duty on wheat without discontinuing the present arrangements for regulating its supply to selected places and peoples."

The Hon'ble Mr. Low :—"I fully understand the suggestion which underlies the Hon'ble Member's amendment, and I defend the position on that basis. We have first of all to consider what will be the incidence of the proposed tax from the point of view of the person who, I shall presently show, will really be affected, namely, the producer. Without entering into any such vexed questions as to what is a fair price for the producer to expect,

I do not think anybody will quarrel with me if I take as an assumption the price of wheat at R3-8 a maund at an up-country, Punjab, wheat market like Lyallpur. The Hon'ble Member's proposed tax of 4 annas on the maund on that amount would come, if I am correct, to something like 7 per cent. Now, that is from some points of view a heavy tax, and from another and perhaps more important point of view, as I shall explain later, by no means heavy enough to accomplish what the Hon'ble Member has in mind. I have said that the producer in this country is the man who will have to pay that tax. I do not think I need labour the point at any great length. All over the world, large wheat-producing countries like Australia, Argentine, the States, Canada, and, in ordinary times of peace, Russia, grow enormous areas of wheat, mostly or very largely in some cases with a view to export. Their financial and transport arrangements are highly organised, far more highly organised than in this country; freights for many of them are a good deal less, and in the case of Canada at any rate, if not in other countries, the quality of wheat is superior to that grown in India.

"The Indian producer is, therefore, competing against these people for the sale of his wheat, and if we super-impose a tax, that is a tax of 7 per cent.. it is quite obvious that the deficiency will have to be met by him. Other people will continue to charge their present prices for the wheat that they send to England; India will be able to charge no more for her wheat; the Indian producer will therefore receive so much less, *viz.*, 7 per cent. It is not an uncommon result of such a discouragement, in fact a result which may be predicted in this case with some degree of confidence, to find a reduction in the wheat area in India. I do not say a large reduction but some reduction; I don't think that is a prospect which the Hon'ble Member would care to contemplate, and I don't think that his proposal to protect what I may call the wheat-eating industry at the expense of the wheat-producing industry would be attained, and the figures for wheat cultivation after the lapse of say 5 to 10 years would exhibit a reduction which would not be to his satisfaction. During the last 18 months especially, the Government of India have tried to strike a fair and just balance between the claims of the producer and the claims of the consumer; and I think the Hon'ble Member will admit that the Government of India will not show any reluctance in making this attempt or being deterred by the magnitude of the schemes or the complications involved in doing their best to this end when they think it really necessary. The really high prices at this time last year compelled the Government of India to step in; the Hon'ble Member asks us in future, whether wheat prices are high or low, to fine the producer 7 per cent. at the expense of the consumer. I think it will be admitted that the proposal is scarcely a fair one. I said at the beginning of my speech that the Hon'ble Member's proposed tax was in some points of view too low. I ask you to consider the position that would arise with the really high prices in England which have been from time to time in force during the past year. Prices have been as high—I am speaking from memory—as 67 to 68 shillings a quarter; a 7 per cent tax on this would be absolutely ineffective; it would require a tax of many times 4 annas to have the influence which the Hon'ble Member no doubt desires. I admit of course that his proposal pre-supposes the maintenance of existing safeguards in respect of restriction of exports and their control and direction, but we have really to rely on the restriction of export against high prices; in the case of medium and low prices the sole effect of this duty would be as I say to inflict an unfair fine on the producer. The only means of dealing with the situation by means of an export tax would be to have the export tax a sliding one, either on the difference between Indian and English prices or on Indian and on English prices. Sufficient reasons were given in your speech last year, Sir, to show the impossibility of this from the disturbance of trade that would result, and the undoubted complications and the upsetting of the market. The Hon'ble Member has, I think, alluded to the tax on rice, or if he has not he will correct me; at any rate some Hon'ble Members have done so during this morning's discussion. I will explain the position in regard to the export duty on rice. It was imposed at a time when the Government of India were under the fond impression that India had a monopoly of the export of rice; this we now

know is very far from being the case; however, the tax remains and owing to the fact among others that rice is a much more widely grown crop than wheat, and that a larger proportion of it is consumed in the country, not very much harm has resulted from it; for that reason the Government of India have decided to let sleeping dogs lie, and have not touched it. We don't, however, want to embark on a fresh experiment of the same sort in regard to wheat. We have had sufficient experience of the wheat trade during the past year to be quite certain that the result will be undesirable from the point of view of the Indian producer, and unsatisfactory from the point of view of the Indian consumer. For these reasons, Sir, I must ask the Council to reject the amendment."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, I desire to point out a certain inconsistency in the attitude of the Government of India on this question. I find that grain and pulse imported into the country has to pay a duty of 2½ per cent *ad valorem*. In the speech of the Hon'ble the Finance Member introducing the Financial Statement, he said:—'While taxing grain and pulse at 2½ per cent in ordinary circumstances, the Government will be prepared, when necessary, to consider the question of exempting them by executive order in famine years.' I find from the Schedule at page 10 that flour imported into the country is liable to a duty of 7½ per cent *ad valorem*. If a duty of 7½ per cent is levied on flour and of 2½ per cent on grain and pulse which are imported into the country, is it very unreasonable to suggest that there should be a duty of 4 annas a maund on wheat which is exported out of the country? Government knows and the Council knows that wheat is the staple food of a large portion of the people, and that the rise in the price of wheat has been a source of real hardship to the great bulk of them; the price of wheat in India has gone up by leaps and bounds. But there has not been anything like a corresponding rise in the incomes of the people. In other countries to which our wheat is exported, the average annual income per head of the population is several times greater than the average annual income of the Indian people. Therefore the great bulk of the consumers in India are put to a great disadvantage in wheat being allowed to be exported free of any duty. I readily concede that if my proposal were accepted, it would impose a certain amount of restriction on the profits which the producer at present earns. I put forward the proposal with that result clearly before my mind's eye. And I am supported in doing so by the Government of India. There are several passages in the speech of the Hon'ble Finance Member in which he has been good enough to say that the wheat arrangement has been kept up in the interest of the consumer, and I think, Sir, that that is the right policy to adopt. In no country can the Government allow any one section of the community to derive unreasonably large profits at the expense of the other sections of the community, particularly where food-stuffs are concerned. For these reasons, I wish the Government would accept my proposal. But I see clearly, that it will not be passed to-day. I beg the Hon'ble Finance Member and the Government of India, however, to take this proposal into consideration, and, if possible, to accept it, when they are framing their Budget next year. I recognise that from one point of view, this is not perhaps the right time to press the proposal. I will not, therefore, press it at present; but I do ask the Government to take the matter into consideration next year, and to take up a position which would be both consistent and reasonable and which would commend itself to the general consumer of wheat in India. I do not press the amendment."

The amendment was, by permission, withdrawn.

The Hon'ble Sir William Meyer:—"I now move, Sir, that the Bill be passed with the slight amendment introduced in it by the Select Committee.

"I think I may congratulate the Government and the Council on the business-like way in which the Bill has been dealt with here, and on the fact that we have been able to carry this very urgent measure into law. We have been able to do so in a reasonably short time, and at the same time have elicited all

reasonable objections. I may also, as I said before, congratulate the Council on the ready acquiescence that the Schedules have received.

"I now move that the Bill be passed as amended by the Select Committee."

The motion was put and agreed to.

The Council here adjourned for Lunch.

THE INDIAN INCOME TAX (AMENDMENT) BILL.

The Hon'ble Sir William Meyer:—"Sir, I beg to present the Report of the Select Committee on the Bill further to amend the Indian Income-tax Act, 1886.

"The Report is in the hands of the members. We have made one or two small alterations in drafting to make things more clear, and Sir G. M. Chitnavis has pointed out that in Select Committee he raised the point that the minimum assessable income should be raised from Rs. 1,000 to Rs. 1,200, but the Committee thought this was out of place in view of the financial difficulties of Government. This is a time for increasing taxation, and not for dispensing with taxes, or portions of taxes, already levied.

"I now move, Sir, that you will be pleased to suspend the Rules of Business to admit the report of the Select Committee being taken into consideration."

The Hon'ble the Vice-President:—"I suspend the Rules of Business."

The Hon'ble Sir William Meyer:—"I now move that the Report of the Select Committee be taken into consideration. I need not say more on the merits of the Bill than what I have already said in my speech introducing the Financial Statement and in that introducing the Bill itself."

The Hon'ble Sir Gangadhar Chitnavis:—"Sir, I beg to support the Income-tax Bill. The only points on which I need address the Council are three. In the first place, it is necessary that it should be made clear that the scheme of enhanced taxation which the Bill embodies is accepted by the country as a war measure. Such taxation cannot be tolerated on restoration of normal conditions. It should, therefore, be distinctly understood that I support it only as a temporary arrangement for strengthening the hands of Government during the war. In the next place, I think the assessable minimum should be raised from Rs. 1,000 to Rs. 1,200, in view of the large increase of a permanent nature in the cost of living. It is reasonable that some consideration should be shown to the poorer middle classes with fixed incomes which have deteriorated in value through the abnormal rise in prices. I suggested the amendment in Select Committee, but for reasons which appeared to me reasonable, it could not be incorporated in the Bill. I hope, however, Government will consider the point after the war is over and the financial condition improves. Lastly, in order that the higher rates do not press heavily upon the poorer holders of securities, it is absolutely necessary that the procedure for claiming a refund should be simplified, and I hope that this will be done by the rules framed in accordance with the rule-making power that has been provided in the Act."

The Hon'ble Sir Ibrahim Rahimtoola:—"Sir, as I indicated in the course of the previous debates to-day, I rise to oppose the increase in the income-tax proposed by this Bill. I beg to submit that there is no case for any increase in the income-tax at present. I do not wish, Sir, to be misunderstood. I am not opposed in principle to the increase in the income-tax or in the salt tax if there was justification for it. My submission on the present occasion is, that no justification has been made

out for either increasing the income-tax or raising the salt tax. In dealing with this point, I will have to go a little exhaustively into the financial position of the Government of India. Looking at it as a whole, it appears to me that the salt tax has been levied, as I have already contended, to make up the deficiency in the Tariff Bill due to exempting cotton piece-goods from the necessary increase of 2½ per cent. I now contend that the increase in the income-tax, which represents a revenue of £900,000, is to provide Government with a surplus, which is estimated at a million pounds. I therefore oppose the increase in the income-tax, primarily on the ground that it is proposed to be levied for the purpose of giving Government a surplus. Now, Sir, in connection with that, my submission is that at a time like the present when the country has suffered so much in various directions in consequence of the war, the requirements of Government in the shape of additional taxation should be confined to the actual expenditure estimated by them, and that anything beyond an equilibrium between revenue and expenditure ought not to be sanctioned. To levy, at a time like this, additional taxation for the purpose of providing a surplus appears to me to be totally indefensible. I will deal with the reasons which the Hon'ble Finance Member gave in support of wanting a surplus, after I have pointed out why, in the first instance, I think that the strength of the financial position of the Government of India is so great that no justification can be satisfactorily proved in favour of taxing even the so-called well-to-do people in India with this £900,000 in the shape of additional taxation. Sir, with your permission, I may refer once more very briefly to the broad results of the Financial Statement. The deficit is £2,600,000. The revenue from the Tariff Act which we have passed is £2,100,000 ; the additional revenue of £500,000 which I wish to give them has been refused. When an equilibrium could have been obtained by means of one form of taxation and one alone, it has been declined. Therefore, I submit that Government will have to be content with opening the new Budget with a deficit of £500,000 for which they are themselves responsible, and not levy any additional taxation in the form of income-tax or salt tax. I may incidentally mention, in answer to the point that it is the well-to-do that will have to pay the tax, that I am opposing, not only the increased taxation against the well-to-do, but also against the poor in the shape of the salt tax—I am opposing both.

"Now, Sir, assuming, for argument's sake, that my view prevails, and that the Budget in which I wanted to have an equilibrium is allowed to open with a deficit of £500,000, what will be the net result ?

"Is the financial position of the Government of India sufficiently strong to justify having a Budget of that description ? In this connection you will permit me, Sir, to trouble the Council with a few statistics. Our invariable experience has been that on most occasions the actuals show better results than those anticipated at the time of framing the Budget. Every Finance Minister will naturally exercise caution in framing his estimates. That is a procedure which I do not want to contest. In the Financial Statement which was placed before us on the 1st, the Hon'ble Member has said in more than one place that estimates have been framed with a great deal of caution. I recognise the soundness of this, and I hold that the principle of caution in underestimating, however slightly, your revenue and overestimating, however slightly again, your expenditure, has led in the past in most cases to results of better surpluses than were provided for, or surpluses where small deficits had been anticipated. If the same experience works out for the ensuing year, then even a deficit of £500,000 may reasonably be expected to turn into a surplus, however small it may be, because after all the deficit is only £500,000 in a Budget representing 86 millions.

"Sir, I have compared the estimates with the actuals from 1907-08. In that year the estimated surplus was over £700,000, while the actual was £300,000, which was less. In 1908-09, the surplus estimated was £571,000 and the deficit was £3,737,000. This is the one year during the last 11 years during which there has been a deficit, and it immediately led to increased taxation. Sir, I will deal later on with the point as to the policy of having recourse to increased taxation immediately a deficit is noticed,

while, when surpluses are noticed, on only a few occasions has decrease of taxation been allowed. I will deal with the point later on. In 1909-10, the estimated surplus was £230,000, the actual surplus was £606,000; in 1910-11, the estimated surplus was £400,000 and the actual surplus was £4 millions. I am giving round figures. In 1911-12, the estimated surplus was £800,000, the actual surplus was £4 millions; in 1912-13, the estimated surplus was £1,500,000, the actual surplus was £3,100,000; in 1913-14, the surplus estimated was £1,400,000 and the actual surplus was £2,400,000; in 1914-15, which represented 8 months of war, the estimated surplus was £1,256,000 and the deficit was £2,785,000. That was because war supervened and converted the surplus into a deficit. In the current year, which is the year when Budget estimates were framed at a time when war was on, and in anticipation of the war lasting throughout the year, the deficit estimated was £2,900,000 and the actual deficit was £2,100,000, showing a difference to the good of over £800,000. If you take even the year in which the conditions of war were present, and estimates were framed in consideration of that contingency, the results are over £800,000 better than anticipated. Surely, Sir, if that is so, we may reasonably expect, now that the present Budget has been framed with even greater caution and in full view of the present circumstances of the war, that that caution will lead to better results than those provided for in the Budget. If they prove to be better only to the extent of £500,000, then there will be an equilibrium, and, I beg to submit, that there is no case for additional taxation, either income-tax or salt tax.

"Let us take a comprehensive view of another aspect of the question. What has been the net result of the financial policy adopted by the Government of India during the last 11 years for which figures are available in the Statistical Abstract relating to British India published in England. The figures given are from 1903-04."

The Hon'ble Mr. Brunyate:—"Page ?"

The Hon'ble Sir Ibrahim Rahimtoola:—"'Page 47.' In the year 1903-04, the surplus is nearly £3 millions. In the next year the surplus is £3,500,000; in 1905-06, £2,100,000; in 1906-07, £1,500,000, in the next year, £306,000; in 1908-09, in which, as I have already stated, there was a deficit of £3,737,000. In 1909-10, there was a surplus of £600,000; in the next year £4 millions; in the next year £4 millions again; in the following year £3,100,000, and in 1913-14, for which this statement is compiled, £2,300,000.

"Sir, taking the total of all these figures during the last 11 years, the Government of India have taken from the tax-payers £20,000,000 in the form of taxation more than what was required for the purposes of the administration. Taking the total of these 11 years, the net result is, that you have taken from the tax-payers £24 millions surplus *minus* £ 4 millions deficit, leaving a net balance of £20 millions in excess of the revenue requirements of the Government of India. Where has this money gone? This money has been utilised for the purpose of capital expenditure.

"Sir, I understand that the policy that has been followed, and to which I have referred on previous occasions in this Council, has been that these surpluses should be lent to—I will not say used for—capital expenditure. I construe it in this sense that these surpluses of revenue were lent to capital and utilised as capital expenditure. I contended before, and if my contention had been allowed, we would have had a separate statement showing the total amount of money obtained from revenue in excess of our revenue requirements and lent to capital—I am using that word deliberately—lent to capital, so that at times of deficiency a refund may be obtained out of those loans. In the meantime, during the interval that the money is needed, if it is lent to capital and taken back from capital, then a state of equitable basis of taxation could be maintained, and thus recourse to additional taxation would not become necessary.

"Sir, if this system had been adopted and if the present had not been a time of war, I would have contended that the whole deficit should be obtained as a refund from capital to which our surpluses have been devoted in the past. As it is war-time, I have supported Government in their proposals for additional taxation to the tune of £2,600,000, which covers the deficit that they estimate. I say, however, that in view of the fact that during the last 11 years we have lent as much as twenty million pounds out of our surpluses to capital, no increased taxation should be levied. My case, therefore, Sir, becomes overwhelmingly strong when I stand up here and contend that no increased taxation should be allowed in the shape of income-tax and salt tax, but that Government should be content with the money they have obtained under the Tariff Act.

"Sir, there is one more point in connection with this which I should like to point out. There was one year of deficit during the 11 years I have quoted. Immediately thereupon, the Government of India resorted to increased taxation. Extra taxation was levied, and it was proved afterwards that there had been no justification for that extra taxation. Our subsequent revenue and expenditure showed that Government could well have done without extra taxation. But even then, Sir, that taxation was not remitted but kept on. As I said, under ordinary circumstances, I would have contended that Government should obtain a refund from reproductive capital works to which we have lent at least twenty million pounds during the last 11 years out of our surplus revenues, and that no recourse to additional taxation should be made. I beg to repeat that in view of these facts the case against increasing taxation to obtain a surplus is overwhelmingly strong.

"Then, Sir, I may be asked whether, even if the position I have taken up is accepted, it is possible to borrow the required sum of money. I recognise the difficulties that face Government in the matter of borrowing; but if the lucid statement which the Hon'ble the Finance Member has given us is carefully studied, we have reasonable grounds for believing that any appeal to the Indian money-market for the requirements of Government will be met. I say so because I think that the Hon'ble Member has very carefully and very sympathetically decided upon a line of procedure which is very wise. I am referring to his proposal of offering to convert an amount of 3½ per cent promissory loan notes equal to the amount of tender which an investor may make. Sir, I understand from this statement that terms will be offered which will be reasonably inviting; and if that is so, there are reasonable prospects of his succeeding in getting not only the minimum of four millions from the public which he estimates, but that a substantial part of the margin of another four millions which he is providing for will also be made.

"Now, Sir, I appeal to the Government of India—after all we Non-official Members can only plead and appeal—I appeal to the Government of India that, in view of the financial strength of the Government of India which I am going to refer to briefly later on, recourse to additional taxation for the purposes of what I will call a small deficit, if the salt tax is also disallowed, is not necessary. In dealing with the financial strength of the Government of India, I will take into consideration what are the alternatives which may be relied upon to meet the contingencies—the probable contingencies for which the additional taxation is proposed. Now, Sir, with due deference, I will venture to submit that the principle of levying additional taxation for the purpose of getting a surplus is wrong. Assuming that the actuals turn out as anticipated, both in regard to revenue and expenditure, and that at the end of the year there is a deficit for this current year, at the time when the next Financial Statement is prepared, I submit the Council will be in a position to know whether further additional taxation is necessary or not. You will observe, Sir, that in submitting this point I am not raising any question as regards the amount of expenditure which Government have thought proper to provide for. At a time like this I do not wish to raise any question as regards the

items of expenditure that have been provided for in the Budget. We want to support the Government, and not indulge in any adverse criticism in regard to the requirements which they regard, so far as expenditure is concerned, to be necessary. At the same time you will note that we reserve to ourselves the power of criticism, and that is after all the only power we have of examining the adjustments which are taking place at present between Great Britain and India in the matter of military expenditure. At present we wish to give *carte blanche* to the Government of India to do what they may deem proper, but we should not be construed to have consented to waive our right to offer helpful criticism, when the appropriate opportunity arises, in examining the basis and the principles on which these adjustments and re-adjustments between England and India, in regard to military expenditure, may have taken place. Sir, referring to the financial position again and the strength of the Government of India, I will deal firstly with the closing balance. According to the Budget we have a closing balance of over 17 millions. I understand from the Financial Statement that a balance of 16 millions is required for working expenses. The excess over the 16 millions is 1,400,000, sufficient to meet the decrease in taxation which I am advocating, 1 million for surplus and £500,000 for deficit. It makes a difference of £100,000, but I do not wish to take up the time of Council in dealing with that. When we consider in public bodies the question of Ways and Means we have in each public body a suitable amount of working balance, closing and opening balance as they are called in the Budget, and in ordinary parlance as working balances; and every public body, including Government, requires for the purposes of unforeseen contingencies and for liquidating the expenditure during the time revenue is coming in to have a surplus balance. Well, Sir, our surplus balance would be 16 millions if my proposal was accepted; and I venture to ask the Hon'ble Finance Member whether that is not a sufficient shield, whether a matter of 16 millions is not a sufficient shield against unforeseen contingencies. Surely, Sir, when you have a balance of 16 million £ to fall back upon, when you have the probability of floating a rupee loan for 8 million £, when your deficit is only £500 000, may I ask whether there is any reason to apprehend that, in spite of unforeseen contingencies against which a provision of a million £ is now being made, the closing balance in itself is not sufficient to reassure Government of not having to face any embarrassment whatsoever. Let us examine in another way the strength of the finances. The financial condition of this country is also proved by another factor. We have our capital debt at about 280 millions, out of which only £12,800,000 is unproductive, and the rest of our debt is productive debt. We had in 1888 an unproductive debt of 73 millions. We have worked it off to 12 millions and odd, that is to say, in about 25 or 26 years we have worked off our unproductive debt by nearly 60 million pounds. Surely that is also a source of great additional strength to the financial position of Government, not justifying, I venture to submit, the taxation of the people at times like these, when every one has suffered in one way or another for the purposes of providing a surplus. Then, Sir, there is the fourth safeguard, which would also protect in case of emergency. We have the Gold Standard Reserve This reserve was started in the year 1904, and we have worked it up recently to 26 millions. At a time of emergency the Government of India themselves withdrew 7 millions for the purposes of Government, and in the interests of the public; I gratefully acknowledge that this was done in the best interests of the public, but that they have been able to withdraw as much as 7 millions out of the Gold Standard Reserve shows that it is possible, without embarrassment, to go to that extent of withdrawals from the Gold Standard Reserve Out of these 7 million pounds withdrawn, 3 million pounds have been repaid, and the present over-draft amounts to 4 million pounds. If we succeed in floating an additional 4 million pounds in the rupee loan, that money is ear-marked to be repaid to the Gold Standard Reserve. But I say even if I am now considering contingencies which may in every case go wrong, and even in that case, you have a margin of 3 million

pounds in the Gold Standard Reserve which you once withdrew and repaid to meet any unforeseen contingencies of the kind for which you propose to impose this additional taxation. Looking at all these points put together, am I wrong in appealing to the good sense of the Government of India not to impose upon the people additional taxation for obtaining a surplus and meeting a small deficit. Sir, I appeal again as I said against any further increased taxation, not that I am against the principle of increasing income-tax or salt-tax, but that the circumstances of the case warrant caution and care, and additional burdens on the people only to the extent which is imperatively necessary. I beg to submit that no case can be made out for additional taxation for the purposes of a surplus as imperatively necessary. Unless such a case is made out, which I beg to submit has not yet been made out, there is no case for additional taxation in these two directions.

"Sir, I have shown that in making Budget estimates care is usually taken to work out by past experience the various sources of revenue and the various items of expenditure. At the same time, when unforeseen contingencies have to be provided for, other factors are examined to ascertain whether they can be met.

"Sir, I have tried to show that we have (1) in the Gold Standard Reserve, (2) in the insignificant amount of our unproductive debt, (3) in our surplus cash balances, and (4) in the cautious estimates of our revenue and expenditure, a sufficient margin for any unforeseen charges which may have to be met. I submit that there is clearly no case for additional taxation. There is one point to which I will briefly refer, and that is, the view that has been expressed that India is lightly taxed; that in view of the increased burdens which Great Britain is bearing, India ought also to bear additional burdens. As a wise financier, my Hon'ble Friend, Sir William Meyer, is utilising that sentiment, and he has seen that the Council has supported him in the Tariff Bill practically unanimously. In connection with that matter, a great point for consideration is, what is the economic condition of England as compared with that of India, and what is the estimated income per head of population per annum in England as against that of India; what, again, is the proportion of taxation per head of population in England in relation to the total income as against the same conditions in India? If I were allowed, I would have gone exhaustively into this question. I will briefly state to the Council what is the result of working out the figures from the available statistics, and I will mention them for what they may be worth. The British population is 45 millions; in 1913-14, the total revenue was 200 millions; this works out per head of population at £4-8, or Rs. 66. The income per unit of population in England is calculated at from £47 to £66; if we work it on the maximum of Rs. 1,000 per annum, it gives a percentage of taxation of 6⅔ per cent; assuming that it is recently increased by 25 per cent, it would work out to a little over 8 per cent of their total income. In India, our revenue is 80 millions, excluding an estimate of 6 millions for revenue drawn from Native States. This works out to Rs. 5 per head on 240 millions of the population of British India. Now, putting it in that way, it does appear that in England the people pay per head as much as Rs. 80 in the shape of taxation, whereas we, in India, pay only Rs. 5; there is a world of difference between Rs. 5 and Rs. 80; but to put it in another way, we have an income estimated at Rs. 30 per head and Rs. 5 is one-sixth, or over 16 per cent, so that we, in India, are paying nearly double the rate of taxation in relation to our income than is paid by the people in Great Britain. To put it in another way, if you put this income at a minimum of 700 and 80 is their taxation, it works out to between 11 and 12 per cent balancing with that 620 per annum per head in India we have 25. Therefore, I say that India is not lightly taxed; we say that we are prepared to provide the revenues needed for the purpose of meeting such expenditure as the Government have themselves estimated. It appears to me that our co-operation and agreement in regard to these matters ought to satisfy Government that we wish to co-operate with and meet them in this crisis to the utmost of our power, but

when it comes to the point of taxing our constituents, the people of this country, in the shape of an income-tax in order that a surplus may be provided, I submit that that is going too far. I have already dealt with the reasons advanced in favour of this, I daresay that many things may happen in the meantime, but surely that is not a contingency that has not always been present; that is a contingency that ought to be met. As I have said we have ample resources; are the Government going to get into financial difficulties and embarrassments for want of this surplus of a £1,000,000? I appeal to the Government, and I appeal with all the force at my command, there is no case for additional taxation in order to find a surplus; all the factors which I have taken a considerable time to explain to the Council lead me to that conclusion. In meeting the Government to the extent of the additional expenditure which they have provided in the Budget we are co-operating with them to the utmost that we can reasonably be expected to do. I trust that my appeal will prevail, and that the country will not be asked to contribute additional taxation to that extent. One word more, Sir, and I have done; to put the case conversely; assuming that the whole scheme is carried through, and that at the end of next year the Government find they have a surplus of 3 to 4 millions instead of one million, does the Hon'ble Member give us this guarantee that he will come forward and remit both the income-tax and the salt tax? It appears to me that in these matters we have got to proceed on the facts and information that are before us, and, having regard to all the facts and information that has been disclosed. I submit that there is not an iota of a case in favour of putting on additional taxation on the people of this country at a time like this, to secure to Government a surplus of 1 million pounds. For these reasons, Sir, I am opposed to the Bill."

The Hon'ble Mr. Dadabhoy:—"Sir, were it not for the present exceptional circumstances, pointed out by the Hon'ble Finance Minister, I would have hesitated to accord my support to any scheme of fresh taxation. I am not in favour of additions to our taxes. But the war is responsible for a situation abnormal in the extreme and beset with difficulties of an uncertain nature. We have to yield to pressure. We Members of this Council have made it clear before now that we would be prepared to support Government in any proposal to levy imposts for the successful prosecution of this war. I for one stick to that loyal resolution, and I cheerfully support this Bill with this reservation, that the scheme of taxation it legalises should be overhauled on the complete rehabilitation of our finances. I do not lose sight of the fact that, according to the Hon'ble Finance Member's calculation, our revenues stand in danger of a permanent diminution, while our liabilities will grow in volume after the war, and that therefore permanent sources of additional revenue must be found. But I believe the Hon'ble Sir William Meyer is over-cautious. I look with confident hope to the future, and I am almost sure, after the conclusion of the war, there will be such a rebound in our finances as will render the present additional taxation superfluous. Unless heavy and extraordinary charges are debited to India as a result of the war, any possible inflation in our annual expenditure will be more than balanced by a normal increase in our existing revenue, and these additional supports will not be needed. It is also a question how far a portion of our Budget provision is unavoidable. But this is not the time for comment. The hands of Government must in no way be weakened The Bill must be supported. Large as the increase in the income-tax is, it gives me great pleasure to support the scheme, in that the principle of a graduated scale of taxation has been finally adopted. Hon'ble Members will remember that, in 1910, in connection with my Resolution in Council for raising the assessable minimum, I strongly advocated that the tax should be levied on a graduated scale. I am glad Government has at last seen the justice of the plea, and a generous effort has been made in the Bill before us to secure an equitable distribution of the tax. This is undoubtedly right. Difference of opinion may indeed exisit both about the maximum rate levied and about the minimum income assessable to that rate. But in view of the gravity of the situation, I do not quarrel about these

particulars. We ought to bear carefully in mind that in England the rate is very much higher, and there is every prospect of its going up higher still. There is thus no just ground for complaint on the score of the maximum rate in the Bill. It is only fair that we all should liberally contribute to the public finances; and it is likewise fair that the rich should pay proportionately more than their less favoured countrymen.

"Sir, *my* chief complaint about this whole business of additional taxation, however, is that it has been necessitated, to a large extent at any rate, to the wanton surrender by us of the major portion of our opium revenue. Had that productive source remained intact, we could have borne even the present financial strain without difficulty, and without burdening the country with any additional tax. It is doubtful if China has been freed from the evil habit in consequence of our forbearance, but we have for a certainty lost the bulk of the large and special revenue. That is a point on which the people might well feel sore.

"One word more with reference to what has fallen from Sir Ibrahim Rahimtoola. My Hon'ble friend has referred to £20 millions recovered from the people during the last eleven years and spent on capital expenditure. But he fully knows that a large portion of our capital expenditure is of a productive nature and brings in a large revenue to Government, which in a manner helps to diminish the burdens of the people. Consequently the figures which he has quoted are not so appalling as they seem to be.

"With these words, Sir, I support the Bill."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, with the remarks which Sir Ibrahim Rahimtoola has made regarding the general position of our finances, I cordially agree. I think, Sir, with due deference to the Government of India, that our finances have not been as economically and carefully administered as they should have been, and I think it also my duty to say that, while we recognise and feel grateful for the retrenchments which the Hon'ble the Finance Member has brought about, I feel strongly, and there are many others who feel with me, that there is much greater room for improvement by retrenchment. I suggest, and I hope the suggestion will be carried out, that there should be a Committee of non-official and official Members of this Council appointed to scrutinise the expenditure. If this is done, I expect that we shall be able to effect a much larger reduction in expenditure than has been brought about by official scrutiny alone. It is only fair that Non-official Members, who are asked to co-operate with Government by giving their support to the proposals for additional taxation, should be given an opportunity also to point our where reduction is possible. I will not go into the figures which my friend has put before the Council in such abundance. I will not go into all those figures, I think there is enough in his speech, even if some of the figures may not be quite correct, to awaken us to a sense of the importance of having a closer scrutiny made of the expenditure side of our Budget.

"Sir, there is not the least doubt in my mind that for many years past taxation has been maintained at a high level, at a higher level than it should have been—and there is not the least doubt, too, in my mind that there is room for much retrenchment which ought to be brought about. With those contentions of my Hon'ble friend I entirely agree, but when we come to deal with the situation we find ourselves in, I feel that I cannot entirely support him. I agree that if a larger retrenchment had been taken up in right earnest, it would not probably have been necessary to put on all the additional taxation which has been put on or proposed; if the arguments of my friend are sound, as I have no doubt to a great extent they are, I would join with him in urging that some of the taxes proposed should be avoided; but I would wish that these taxes should be those that fall on the poorer classes of the community rather than that the proposal to increase the tax on higher incomes should be abandoned. I am not among those who would

vote for additional taxation merely because the tax proposed happens to be one which I regard as equitable in principle. It is perfectly reasonable to urge that, if as the result of a closer inquiry, the Government are convinced that they do not require all the revenue they have budgetted for, they should have the fairness and courage to agree to the proposal that a proportionate share of the proposed taxation shall be abandoned. But I do not expect, from my knowledge and experience of this Council and of the ways of the Government of India, that at this juncture, after the proposals have been carefully considered by the Hon'ble the Finance Member in his Department, when the Budget Statement has been laid before the Council there is going to be in the immediate present any such re-examination of the financial position as would compel the Government of India to the conclusion that they should not ask for a portion of the revenue that they have asked for. And if the amount budgetted for is the amount on which the Government of India have set their heart, if that is the amount which they must have in hand in order that the Finance Member and the Government should feel secure that during the next twelve months the finances of the Empire will not go seriously wrong, and that there would be no financial embarrassment, then I submit that the proposal for raising the income-tax, being by its nature eminently equitable and just ought to be supported.

"I think, Sir, that while there is a good deal in the proposals for new taxation which deserves commendation, that while the proposals for additional taxation generally are equitable and sound and show a great deal of considerateness on the part of the Finance Member and his Colleagues, there is no proposal which is so eminently equitable as the proposal to introduce a graduated income-tax. It is but a truism that those who receive the greatest favours from, or derive the greatest benefits under, a Government ought to contribute most largely, proportionally to their means, to the support of that Government. The Government have added to the burden of the humblest of the humble, the poorest of the poor, in enhancing the salt tax; the new or increased import duties are also nothing but an additional burden upon the general taxpayer; they will not be paid by those who manufacture the articles taxed but by those who consume them. All these are general indirect taxes. The only one direct tax is the tax on incomes. Now the Government have, with great considerateness, left alone the existing rate of income-tax where it is so far as incomes up to Rs. 5,000 are concerned. They have put on the increased rate only upon those who have incomes going above Rs. 5,000. I think that is eminently fair and reasonable. The poorer section of the community ought to be exempted from paying this tax. Those that are able to pay should be required to contribute in a manner fairly commensurate with their incomes. I may say, if I may be excused for saying it, that I have always felt a special satisfaction in contributing the income-tax to the coffers of Government. I have felt that that was a contribution which I was consciously making towards the administration under which I live and benefit, and I feel that that ought to be the feeling of every one who benefits by the system of administration under which he lives. It is true, no doubt, that there are many of us who would like not to have to pay any tax: it is true also that if all taxes could be avoided, it would be a very happy state of things. But that is not to be; and as all taxes cannot be abolished, when the happy time should come when some taxes can be remitted, I would ask the Government and the Council, to think of remitting taxation which presses upon the poor rather than of altering the proposals for a graduated income-tax which will press upon those who, thanks to the blessings which they enjoy, are well able to meet it. That being my view of the situation, I think that the present Bill ought not to be opposed. As I have said before, I join with my friend Sir Ibrahim Rahimtoola in earnestly pressing for, earnestly praying for, such a general overhauling of our expenditure side of the Budget as will enable the Government and the public to say where reduction should be made, and when that has been done, and the time arrives for remission of taxation, I would wish those taxes to be removed in the first instance which press upon the poor.

"I apprehend, however, that we are in for all this additional taxation for a long time. I cannot look forward with any hope to the time when these additional taxes will be taken off. That is not in the history of the Government of India, ordinarily speaking. We no doubt had a remission of taxation eight or nine years ago. But I do not look forward with any hope that we shall have much of a remission of taxation again in the near future. I hope, however, that these additional revenues which are being obtained should not—I speak with respect, but I speak with deliberation—should not lead to a further extravagance in expenditure being indulged in in the years that are to come. There are many temptations, there are many directions in which an increase of expenditure will be asked for. There are directions in which, I fear, even an unjust pressure will be brought to bear upon the Government of India to meet expenditure which it ought not rightly to bear. I am sorry to say that I notice one such instance in the present Budget. The Government of India have fought valiantly (and they deserve our thanks for having so fought) against sea transport charges being debited to India in the past and the present year. Every one understands that since the war began we have not incurred those charges for transporting troops; that we have not received the services for which those charges have been levied upon us. And yet the powers that be in England have ruled that we must be debited with those charges because, forsooth though we did not as a matter of fact incur them, we would have incurred them but for the war! and because if those charges were not debited to us we should be making a profit out of the war! I submit that is not a fair way of looking at the matter. If charges have not been incurred, there can be no justification for saddling India with those charges. I cannot think of any possible answer to that. I can well understand our being asked to make a humble contribution, however humble it may be, to the war fund; I can well understand our making spontaneously a humble offering to support the Government, as we have done in other ways, but I cannot see the justice of India being saddled with charges that she has never incurred, or which have never been incurred for her. I mention this as one instance of the danger to which we shall be exposed in a greater measure when there will be a surplus revenue in the hands of Government, because of the additional taxation, as I feel sure with Sir Ibrahim there will be at the end of 12 months, of that surplus being utilised for meeting charges which are either unjust or exorbitant.

"I also think that there is great force in the contention of my friend the Hon'ble Sir Ibrahim Rahimtoola against a resort to additional taxation to provide a surplus. If this taxation were being imposed to meet the wants of the people for greater education, to provide for more sanitation, to provide for the development of indigenous industries, to provide for developing the resources of the country, the case would stand on a very different footing. We might well then, deliberately, knowingly, with our eyes open, agree to additional taxation in order that additional revenues might be raised to promote national efficiency and thereby national wealth, to bring the people up to a level of civilization and prosperity with other parts of the British Empire, but it is a very different matter when additional revenue is being raised in order merely to provide a surplus, which my friend has shown (and there is great force in what he has said) may not really be required. Taking however the whole situation into consideration, and having a feeling of hopelessness that the decision which the Government have arrived at will not now be altered or modified, I think that the proposals which are now before the Council regarding the higher income-tax ought not to be disturbed. I hope that when the time comes for remitting taxation, other taxes may be remitted, but that this tax will stand, and this for two reasons: first of all because it is an eminently equitable tax; its burden falling upon those who are best able to bear it; secondly, because this tax will probably lead some of us who will have to pay it to look a little more closely into the expenditure side of our finances. I hope it may induce some of us to seriously think whether it is not possible to have the administration carried on on much cheaper, more economical lines without sacrificing efficiency; and if this

hope should be realised, that additional interest taken in our financial administration will, I expect, more than repay us for the loss of income we shall sustain and the hardship that some of us feel in submitting to the increased tax.

"With these remarks, Sir, I strongly support the motion which has been made by the Hon'ble Finance Minister."

The Hon'ble Khan Bahadur Mian Muhammad Shafi:—"Sir, in view of the abnormal conditions created by the world-war, I give my willing acquiescence to the imposition of an additional income-tax as proposed in this enactment, particularly because the extraordinary expenditure which the Government has to meet, is proposed to be met in a manner calculated to produce a minimum of hardship. As the Hon'ble Finance Minister explained to us in his admirable speech introducing the annual Financial Statement, the persons who, under the existing law, are exempt from payment of these taxes and those whose incomes amount to Rs. 4,999 will in no way be affected by the proposed measure. And of the 37,000 persons who will have to pay enhanced taxation, only some 3,500 persons will pay the highest rate proposed in this Bill. It is quite true, as was observed by my friend Sir Ibrahim Rahimtoola, that these well-to-do classes contribute very largely in various ways towards our public exchequer. But I, for one, feel certain that this class of persons will recognise that those who benefit most under the protecting ægis of the greatest Empire known to history ought to contribute most in times of special crisis, such as the one with which we are faced to-day. Sir, I should have been perhaps the first person to subscribe to every word of what my friend the Hon'ble Sir Ibrahim Rahimtoola has said if the question of increased taxation, as he called it, for a surplus had arisen under normal conditions: but in view of the extraordinary circumstances created by this war, and in view of the possibility of all sorts of contingencies which may arise during the forthcoming year—or as the Hon'ble Finance Minister said in view of the contingency that this war may last for another year or more—we ought to be prepared to support the Government in imposing an additional tax, the incidence of which will fall only on those classes who can afford to pay and ought not to grudge these £900,000 which the Government seeks to derive from the Income-tax Bill.

"Sir, since the introduction of the Bill into this Council, I have had opportunities of discussing its provisions with some of the leaders of public opinion belonging to various communities in the Capital of the Province which I have the honour to represent. The provisions of the Bill have further been discussed at a meeting of the Punjab Muslim League held on Sunday last. They all recognise that, under existing circumstances, the imposition of an additional income-tax is unavoidable as a war measure, and it is as such that they are all willing to give it their support. We all hope that, when the extraordinary circumstances which have necessitated the imposition of this tax have ceased to exist, this enactment will be expunged from our Statute-book and the *status quo ante* will be restored. Sir, it is in this spirit, and in this spirit alone, that we agree to the imposition of this additional income-tax."

The Hon'ble Mr. Rama Rayaningar:—"Sir, I support the Bill. The Hon'ble the Finance Member has given us as one of his reasons for adding to the permanent resources of Government that, after the war, further funds will have to be provided for such beneficent purposes as the improvement of education and sanitation. Thus the legislation, while providing for the war contingency, contemplates to make permanent provision for some of the most pressing needs of the country. The legislation therefore is desirable. It is true that the Bill legislates for enhanced taxation, payable by the few. But the few who have to pay the increased tax are the wealthy few, hitherto but slightly touched by taxation. The general scheme of the Bill is so good that one cannot but support its adoption. The Bill is an improvement over the existing law, inasmuch as it gives support in a more marked degree to the principle of graduation in rates and that that principle is applied with

judgment in working out the details. However, another principle, equally important and equitable, the principle of abatement, is ignored in this Bill. Some time back I gave notice of a Resolution recommending the principle of abatement, but, unfortunately, I could not move the Resolution. This principle has been accepted in most civilised countries, and there is no reason why it should not be introduced into the Indian law of income-tax. In all classifications of assessable income allowance should be made for the cost of maintenance, not only of the assessees but also of their dependents. I hope, after the war is over, Government will be pleased to give due effect to this salutary principle in the law.

"Sir, I have one more observation to make and that is, that when occasion arises for the application of the extra funds, which increased taxation brings in, Government should consider the claims for support of agriculture and industries, especially village industries, along with the claims of education and sanitation. The improvement of the material condition of the people is as important as the improvement of education and sanitation. Money spent on agriculture and industries is money well spent. When the people are materially better off they will themselves spend more on education and sanitation."

The Hon'ble Rai Sita Nath Ray Bahadur :—"Sir, as observed before, in the present state of the Empire, when it is involved in the greatest war known to history, and when the English people have cheerfully come forward to make the greatest possible sacrifices, it is only fair, just and equitable that India, while protected by the powerful Navy and Army of England and thus enjoying the security of life and property unmolested, should also cheerfully submit to the schemes of taxation, based on incomes the incidence of which will fall heavily on the higher classes of people, *i.e.*, people who are able to pay. I am indeed glad that the tax, while not touching all incomes below one thousand, is going to be levied on a graduated scale, the incidence of which will no doubt fall on the higher and richer classes. But while we cheerfully submit to this tax, we fervently pray that when the necessity for this additional income-tax would cease to exist, on the conclusion of peace, the additional tax will be removed and not made a source of permanent revenue. It is not a light matter that a man should be suddenly called upon to pay a tax which is two and a half times higher than what it was before.

"With these few words, I beg to support the Bill."

The Hon'ble Rai Ghanasyam Barua Bahadur :—"Sir, I think that of the two Bills which are before us to-day, this is the one which we should consider the least open to objection, as it deals with a very reasonable form of taxation, and the distribution has been carefully and equitably made. Considering the gravity of the situation, the need for additional taxation as the Hon'ble the Finance Minister has so clearly explained to us, and the very cautious and considerate way in which he has imposed the taxes, it would have been much better if we could have seen our way to pass both these Bills without much discussion. I wish we could do so. Unfortunately, we have launched into a great deal of discussion, some portion of which it would have been much wiser, I think, not to have gone into at all, as advised by His Majesty's Government and the Hon'ble the Finance Minister. I am, however, happy to see that both the Bills have received almost unanimous support, the support that they deserved, and I hope the whole country will be prepared to gladly bear the additional burden owing to the peculiar circumstances that have necessitated it. In a situation like this, I think that, instead of insisting upon the Hon'ble the Finance Member doing without additional taxation or of finding fault with him for budgetting for a surplus of one million, it would have been more reasonable to ask him simply to be cautions in spending the amount and keeping it in hand as a reserve only for particular contingencies that may arise. In a time like this, I think nobody would call it unfair or unwise for a Finance Minister to so strengthen his hands as to be able to have something

in hand for any urgent call to which he might at any moment be exposed We see that the frontier troubles going on with more or less continuity, and the call upon us in connection with the eastern theatre of the war may be more urgent at any time. Besides, there may be other deficits, *e.g.*, the railway traffic may suddenly receive a check. It is no wonder if considerations like these induce one to keep some extra money by, and we should consider it only a matter of ordinary prudence for a wise Finance Minister to keep such a margin in hand. In the peculiar circumstances of the case we might have satisfied ourselves by saying simply that the resources should be well husbanded, that where one pice would suffice two should not be spent, and that where a rupee could be saved it should be saved; and the great care which has been continually exercised by the Finance Minister in presenting the Financial Statement every year should lead us to depend very much on him for that. On all these considerations, I think we should have been much wiser in not drifting into the long and somewhat unfortunate and unpleasant discussions that have taken place to-day.

"It should have been enough for us to say that we accept the Bills as a war measure, but that if it so happens that we do not want the surplus for the purposes of the war, we shall ask him to spend it for purposes which will benefit the people from whom it has been obtained. We might ask him then to see that the proceeds of the salt tax and the income-tax go to the relief of the poor, in the improvement of education and sanitation and so forth. The war will not go on for ever; it will come to an end sooner or later. Then will be the time to press on the Government to reduce all extra taxation which the conditions of war have brought upon us. Why not let the Bills be passed without protest and depend upon the Finance Minister's calculations for the present? This is really not the time for quarrel or controversy but for smooth and united work. Since the outbreak of the war Bills to the extent of hundreds of millions have been passed in the Houses of Parliament in England, and the people of the United Kingdom have submitted without a murmur. In consideration of the part that we are bound to take in this world-wide war, and in consideration of the promise and pledge that we have already made to this effect, I think in these small matters we should have been able to do without controversy and let the Bills be passed at once, especially after what the Finance Minister said. As soon as the war is over we shall have time to readjust the accounts and ask him to reconsider these measures in more detail. I hope the Council will see the advisability of not lengthening discussions any further. I beg to give full support to the Bill."

The Hon'ble Mr. Madhu Sudan Das :—"Sir, judging from the speeches that have been made on this Bill, we are all agreed that there should be no attempt on the part of anybody to oppose the new taxation which has been necessitated by the war. But while there is a positive and marked reluctance to withhold any money which Government wants to meet the emergencies of the occasion, some Hon'ble Members have thought it fit—or rather, I should say, have considered this a proper and fitting occasion—to refer to what they would like to describe as erroneous administration in the past. If we once admit that there is need for extra taxation necessitated by the emergencies of the present moment, and that we should not withhold our acquiescence in it, I do fail to understand what good can be derived from going to the past or criticising the administration of the past. It may be that millions might have accumulated in the shape of surplus. It is true perhaps that the actual surpluses have exceeded the anticipated surpluses. But Hon'ble Members should not lose sight of the fact that these surpluses have been spent as capital outlay, which means, all those comforts, facilities and conveniences of civilised life, without which we should not have been proud as subjects of the British Empire, which we are to-day. The very fact that the actual surpluses have exceeded the estimated surpluses proves that at any rate the Government of India has not been playing ducks and drakes with the money, but that great care has been taken in its expenditure. It may be that a closer scrutiny into the finances might

have swelled the actual surplus a little more, but those are things of the past and my outlook is of the future. For the present, I am content to bear the burden that is put on my back and shoulder, but I look forward to a brighter future. That should be and is my position at any rate. And if the English nation, if the Government of India, if the Secretary of State or the India Office, if any of these do not do their duty, well, that will not be our fault. The war has awakened the world's conscience; the war has opened the eyes of all nations. Our conduct therefore will be judged by the verdict of the world and by the impartial verdict of history.

"With these words, Sir, I give my entire and whole-hearted support to the Bill."

The Hon'ble Sir William Meyer:—"Sir, I am very glad to find that there is such unanimous support of the Bill in the Council—such *almost* unanimous support of the Bill, I should say—such almost unanimous recognition of the justification for the Government proposals. The only discordant note has been struck by the Hon'ble Sir Ibrahim Rahimtoola, and I cannot pass over some misleading statements that he made.

"In the first place, in dealing with the financial expedients which we might employ to avert having to raise income-tax, he spoke of our having a reserve in the shape of our balances, which normally amount to sixteen odd millions. Well, anyone might suppose that the balance in question lay always handy, that it was a balance such as a private individual keeps at his bank and could draw upon easily at any time. Of course it is nothing of the sort. The balances of the Government of India—normally 4 millions in London and 12 millions in India itself—are scattered all over the country. They are the joint products of the balances of every tahsil and district treasury. Portions of them are held at the Presidency Banks at Bombay, Calcutta and Madras, where they are useful for trade, and so on. They are really till-money to finance the requirements of a sub-continent. When then we say that our cash balance is for instance £16⅓ millions, it does not follow that that those 16⅓ millions can be used. There is only a very small portion—in India practically the amount that we hold from time to time in our reserve treasuries—that can be promptly used; and I can assure the Council that there have been moments in this last year in which I have been rather anxious about the state of our cash balances; and have had to meditate—what I should have done with the greatest reluctance—withdrawing more money from the Presidency Banks.

"Then, the next misleading statement was that during a certain number of years—since 1903, I think, the Hon'ble Sir Ibrahim Rahimtoola said—some 20 million pounds had been paid by the taxpayer towards capital expenditure. Well, I call that statement misleading because they were not really paid by the taxpayer in the sense in which one ordinarily understands the word. Several millions of that money came from the opium revenue from huge sums that were paid during the last years of our opium trade with China by persons anxious to pass on opium at heavy cost to the Chinese. Those millions were not paid by the taxpayer in India. Then there is the money derived from the commercial undertakings of the Government. Take the railways. During the last few years the railway receipts have been rather in excess of our eventual surpluses. I would like to read the figures for the last few years. In 1912-13, the net profit from railways, after meeting interest charges, was about £4,800,000. The actual surplus was £3,100,000. In 1913-14, railways produced about £5,000,000, but the actual surplus was only £2,300,000. In 1914-15, railways produced £2,150,000, nevertheless there was a total deficit of £1,800,000.

"In the current year we now estimate for a railway profit of £3,300,000; nevertheless the final, general, deficit is £2,000,000. In the Budget, again, we have with the fresh taxes proposed, a surplus of £1,000,000, but this is after reckoning £2,500,000 of railway profits. It must also be remembered that the Government get a good deal from opium and forests, in like manner. Well, it

is not fair, it is very unfair to talk about receipts derived in that way as being derived from taxes. They represent voluntary disbursement from those who pay them, and when they are put into capital expenditure, it has been an excellent result for the taxpayer. If, for instance, Hon'ble Members will refresh their memory by turning to the last section of my Budget speech of last year dealing with the public debt in India, they will find that, partly through the reduction of our unproductive debt by the application of past surpluses we now derive some £6,000,000 of clear revenue from our great capital undertakings. Those transactions I say give you a net profit of £6,000,000 after providing for interest; and let me remind Sir Ibrahim Rahimtoola that the strong position of India which he speaks of is owing to the self-denial of our predecessors who went on through difficult periods in which there were deficits, went on paying the money and left us in this strong position in which we now are. But this does not warrant us in dissipating the capital that our predecessors obtained for us and proceeding to budget for deficits. Sir Ibrahim Rahimtoola also referred to the fact that the actual surplus of the year is generally materially in excess of the amount budgetted for. Well, it is a particularly difficult task to budget for India, which is a sub-continent. My predecessor referred to the Indian Budget, in a now classic phrase, as a gamble on rains. I should say now that it is in even greater measure a gamble in railways. Our figures may be materially altered—generally to the good, sometimes unhappily to the bad—by the character of our railway receipts. Of course, we do our best in calculating what our railway receipts will be; we consult our railway experts and so on; but we are all out sometimes. Now considering the vast scope of our railway system, the number of factors involved, and the extent to which a small percentage of difference in profit or loss will affect the railway Budget, I do not take any discredit for the fact that railways have, generally speaking, done better than was expected; though sometimes, on the other hand, they do not do so well. In 1908-09, for instance, the then Finance Member estimated for a surplus of £570,000, but got a deficit of £3,700,000, partly through agricultural distress, but very largely through a falling off in railway earnings. Similarly, in the previous year (1907-08) the surplus, as Sir Ibrahim Rahimtoola quite candidly admitted, was less than was anticipated in the Budget. Well, there being this risk, generally, of the Budget figures not working out as we anticipate, it is far better to be on the right side than on the wrong. This year, for instance, as I have already said, I was really anxious till the railways came to the rescue. If the railways had not, to the surprise of everybody, of the experts themselves, produced very much more than we had any right to anticipate, instead of the deficit this year being a million less than estimated, it would have been probably a million more. Well, I am not going to run any such risk next year; we cannot afford it. I think Sir Ibrahim Rahimtoola has had his eyes so fixed on Great Britain and the shortcomings of the Government there, as he puts it, that he has rather forgotten what the financial circumstances of India are. The Chancellor of the Exchequer at home can cut things rather fine, because he can, if things go wrong, if there is a deficit instead of a surplus, raise money by exchequer bills; and then he can, when Parliament meets, also vary taxes, and raise money in that way. In India, supposing a state of things was brought about—by a trade crisis, we will say—in which the Government of India was losing money hard, we should certainly not be able to get money from the Presidency Banks or the money-market generally. At present, again, we have not the further resource of raising money at home; nor is anybody who is really acquainted with the circumstances of the people of India anxious to subject them to perpetual alterations of taxation. There is nothing so much disliked in this country as uncertainty; we know it from the salt tax. Rumour said last year that the salt tax was about to be increased. There were unfounded and exaggerated rumours this year as to the extent to which we proposed to increase the tax, and speculators sent the price up. We do not want that state of things; we do not want people apprehensive lest a turn of the tide should impose some further taxation. We want, in imposing taxation, to do it in a definite and sound way so as to give us adequate resources.

"Sir Ibrahim Rahimtoola says that every time there is a deficit the Government of India imposes fresh taxes. Well, I do not admit that this is so at all. There was a deficit in 1907-08 which was passed by. In 1908-09, there was a further big deficit of nearly 4 millions, and next year my predecessor imposed fresh taxes to the amount of a million. Why did he do this? He did not do it merely with reference to the deficit, but with reference to the probable disappearance of the opium revenue, which has disappeared since; and as I told Council last year, the equivalent of the taxes then imposed, £1 million, has been subsequently allotted to education and sanitation. Well, what does the present Government do? There was a big deficit in 1913-14 attendant on the war. There would be another big deficit in the current year, as we know. So long as we thought we could get on without fresh taxation we did not tax; we resorted to all sorts of expedients which would not have been desirable except in very special circumstances, borrowing from the Gold Standard Reserve and so on. But now that we have come to the third year of deficit, and there is the prospect that the war may go on for a long time yet, and that we shall later have to reconsider our scale of expenditure probably, it would be absolutely immoral to go on estimating for deficits. Sir Ibrahim Rahimtoola propounds a little Budget in which we shall have to scrap the salt tax and the income-tax and have a deficit of £500,000 which is to be covered by the grace of God, I suppose. Anyhow, he hopes that things will be better than they are to-day; if they are worse then make a raid on the Gold Standard Reserve, or meet them from the cash balances, or from this or from that. I regard that as absolutely immoral finance. The Government proposes taxation so as to give, I won't say a surplus, because that suggests a normal state of things, but an adequate margin to meet a state of affairs which may be very materially worse than is anticipated at present. It may of course be better, I hope it will be. I shall be very glad if that is so. Then I am asked what I shall do if there is a larger surplus than we anticipate. There is a very easy answer to that; we have still got a very heavy temporary debt which we ought to discharge as soon as possible; we have still £4,000,000 due to the Gold Standard Reserve, and £5,500,000 due on the India Bills. If our loan operations are successful, we may get some money to pay towards reimbursing the Gold Standard Reserve, but we have still the India Bills.

"Then I have been asked what I shall do later on if peace and prosperity return and we find ourselves in an era of surpluses. I can give no pledge as to the repeal of any particular tax now imposed; when we are nearer to prosperity we shall have to consider the matter. My own personal view—I am here in sympathy with the Hon'ble Pandit—is that when we come to consider the remission of taxation generally, the taxes to be first considered are those which specially affect the poor, and I say this that when we come nearer to prosperity if I am still in office—or if I have gone I can say the same of my successor—Government will take into consideration how far the taxes which have been imposed in times of adversity need to be continued, and if remissions are thought desirable, what particular form those remissions should take.

"Lastly, I am surprised that, seeing that the Hon'ble Sir Ibrahim Rahimtoola recommended that we should budget for equilibrium or even a small deficit, he did not think less money should be obtained from Customs, and I am surprised that he should have exposed himself to misconstruction—for misconstruction I am sure it would be—by opposing a tax specially designed to make wealthy people like himself contribute to the public purse; I should have thought that in his place it would have been more altruistic to vote for the income-tax and propose a reduction of the Customs.

"With these remarks, Sir, I move that the Report of the Select Committee be taken into detailed consideration."

The motion was put and agreed to.

The Hon'ble Mr. C. Vijiaraghavachariar:—"Sir, in section 5 of the Income-tax Act there are about ten cases of exemptions from the

tax; these provisions are repeated in the Bill. I propose that sub-section (*d*) be omitted. I shall read it, it runs as follows :—

'Any profits of a shipping company incorporated or registered out of British India and having its principal place of business out of India and its ships ordinarily engaged in seagoing traffic out of Indian waters.

"This is the clause of which my amendment asks the repeal or deletion; it is not capable of much argument either way; you have to look at the principle, if any, of the exemption. I looked at the Proceedings relating to the passing of this Act in 1886. I did not find any cogent reason why this exemption was introduced in the provisions of the Act of 1886. The Bill which became the Act of 1886 did not contain this exemption, but after it was referred to Select Committee, the Hon'ble Mr. Steel seems to have raised an objection on the ground that this Act would annoy the shipping agents, and it was also vaguely feared that Collectors would go to ships and ask for various particulars, etc., then the exemption was introduced. It was also said that much money did not come in from this source under the law prior to the Act of 1886. Why this was so, whether because it was not available or whether evidence could not be reached, I was unable to gather from the Proceedings. Whatever it may have been, the hope was held out that the point was capable of revision at subsequent times. Now thirty years have passed since the Act was passed; at that time the great carrying country of the world was England; there has since then been a considerable change in the commercial and carrying capacities of the world, and I see no reason why this exemption should be retained any further.

"With these remarks, Sir, I beg to move the amendment that stands in my name—

'That for clause 3 of the Indian Income-tax Amendment Bill the following shall be substituted, namely :—

'3. In section 5 of the said Act the following amendments shall be made, namely—

(*a*) clause (*d*) shall be omitted, and

(*b*) in clause (*j*) after the word 'any' the words 'company or' shall be inserted.'"

The Hon'ble Sir William Meyer :—"Sir, as I explained in my speech introducing the Financial Statement, there are a variety of matters in which the existing enactments will require revision sooner or later. We did not propose to complicate this question of additional taxation by going into all these matters; that would have taken a long time and the Council will readily imagine that we were pressed with Budget work and with the special anxieties that war brings about.

"As regards this amendment, I have looked up the point and have communicated privately with the Hon'ble Member. I find that, in 1886, the then Finance Member and the Select Committee thought that the tax on shipping would have been very difficult to collect. It would have been impossible owing to vessels going from country to country, and the cargoes being transferred from vessel to vessel, to estimate the profits derived from Indian trade separately. Similarly, it would have been impossible to estimate the profits of the ships for the period that they were in Indian waters. It was said, too, that the shipping trade at that time—this would not apply now—was in very low water. In 1912, before I assumed office, various suggestions had been made in respect of the amendment of the Income-tax Act that require consideration, and a revision of this sub-section was one of them. So if my Hon'ble friend will take it from me that when a fitting opportunity offers for a general revision of the Act, quite apart from the present emergency taxation, this question will be fully considered. I hope he will be satisfied and will withdraw his motion."

The Hon'ble Mr. C. Vijiaraghavachariar :—"The Hon'ble Member will perhaps permit me to say that this point required no serious investigation; at the same time as he tells me that the matter will be looked into, I beg to withdraw my amendment."

The amendment was, by permission, withdrawn.

The Hon'ble Pandit Madan Mohan Malaviya.:—" Sir, I beg to move—

'That in clause (*a*), Part I, column 2, of the second Schedue set out in clause 8 of the Bill, for the figure "1,000," the figure "1,200" and for the figures "88-5-4" the figure "100" shall be substituted.'

" The reason for this amendment is very simple and very obvious. The Government have very considerately exempted incomes up to Rs. 1,000 from taxation. We feel grateful for it, but prices have risen and living has become more costly, and the great bulk of the middle class find it more and more difficult to make the two ends meet. I therefore propose that the exemption should be raised to Rs. 1,200. It will not cost the Government an excessively large amount. I have looked up the figures for 1911-12—figures for later years not being available to me. They show that in that year the number of persons who paid income-tax on incomes ranging from Rs. 1,000 to Rs. 1,250 was 98,716. That was the number of persons assessed on incomes between Rs. 1,000 and 1,250; but the total sum raised from them amounted to Rs. 19,31,213 only. So, that when nearly a lakh of persons were assessed and put through all the difficulties and hardships to which income-tax assessments expose the middle class people, the total sum realised by Government was only Rs. 19,31,213. I submit, Sir, that in view of the great increase of taxation in recent years and of the proposals for additional taxation which have been before the Council during the last few days, the Government are in a position to remit Rs. 19 lakhs and to bring relief to a large body of middle class people throughout the country. If the Government will be pleased to give up Rs. 19 lakhs they will afford relief which will be substantial to a large number of men, and the finances will not much suffer.

"It may be said that it is rather strange that when Government are resorting to fresh taxation in order to raise more revenue, I should come forward with a proposal to reduce or to give up a part of the existing revenue; but I submit, Sir, that the very fact that fresh taxation is being put on, and that a large sum is being raised thereby, affords justification for the view which I am submitting to the Council. The salt tax is a tax which everybody among the middle class will pay; the import duties will also add to the burden of the general middle class people. For these reasons, I hope that my proposal will commend itself to the Hon'ble Finance Member, whose sympathy with the general middle class people and the poor is very well-known, and I do hope that the Government will see their way to accept it."

The Hon'ble Sir William Meyer:—" I regard the proposal of the Hon'ble Pandit with a good deal of personal sympathy. In fact, if I may make a confidence to the Council, one of my day-dreams when I was first taking up the post I now hold was that I hoped to be able, before my term of office was over, to enlarge the sphere of exemptions from income-tax. But fate has willed it otherwise, and instead of the peace and prosperity that marked my predecessor's *regime* I have fallen into an era—a *Kali-yuga*—of war and troubles. As matters stand at present, I am afraid I cannot accept the amendment. It would involve a considerable amount of money—£140,000 according to the rough calculations I have made. But there is a more important principle involved. This tax has been borne for 30 years. I do not think it would be right, at a time when we are asking a number of people to bear enhanced taxation in one way and another, that we should start remitting a tax which has been so sanctified by custom. It would be really inconsistent. I must therefore oppose the amendment; but I can assure the Hon'ble Mover that if a time should come at which I shall be in the happy position of considering remissions of taxation instead of impositions of taxation, this will be one of the first things that I shall then consider."

The Hon'ble Pandit Madan Mohan Malaviya:—"I know that when my Hon'ble friend has decided a question, his decision must be final, and so I must bow to it, though I feel that, with his sympathy with the proposal, he could have easily spared 19 lakhs when he is raising an additional revenue of 3 millions. I do not wish to take up the time of the Council any more. I thank my Hon'ble friend for the assurance he has given, and trust that, in the not distant future, this proposal will be actually carried out. I do not press my motion."

The amendment was, by permission, withdrawn.

The Hon'ble Pandit Madan Mohan Malaviya:—"The other amendments were consequential, and they will not be moved, namely:—

'That in the table in Part II, column 2 of the Second Schedule—

(*a*) entry 1 shall be omitted, and

(*b*) for the figures "1,000" in entry 2 the figures "1,200" shall be substituted.

'That in the table in Part III, column 2 of the same Schedule—

(*a*) entry 1 shall be omitted, and

(*b*) for the figures "1,000" in entry 2 the figures "1,200" shall be substituted.

'That in clause (*a*), Part IV, column 2 of the same Schedule—

(*a*) the words and figures "not less than Rs. 1,000 but less than Rs. 1,250 the tax shall be Rs. 20" shall be omitted, and

(*b*) for the figures "1,250" were they occur for the second time the figures "1,200" shall be substituted.'"

The amendments were, by permission, withdrawn.

The Hon'ble Mr. C. Vijiaraghavachariar:—"Sir, I beg to move—

'That in clause (*a*), Part III, column 1, of the Second Schedule set out in clause 5 of the Bill, the words 'by draft on any place in British India' shall be omitted.'

"This amendment needs some explanation. A distinguished friend of mine asked me, as soon as I came here this morning, what I meant by this amendment. I owe it to the courtesy of the Hon'ble Finance Minister if I proceed to give that explanation. I sent out the amendment partly in ignorance and partly from suspicion; but in the light of the lessons which I have derived this morning, I don't believe that my amendment is altogether out of order.

"Hon'ble Members will remember that our Income-tax Act is constructed very much on the lines of the English Income-tax Acts, that is to say, incomes are doubly immune from income-tax, firstly, if any income comes within one of the ten exemptions mentioned in section 5, the proprietor of that income pays no income-tax. That I shall call positive immunity, but it does not follow from this that incomes which do not come into the list of exemptions necessarily pay income-tax. Section 4 creates liability to income-tax only those incomes which can be traced to the sources mentioned in Schedule II, so that a man may negatively escape income-tax if his income is not traced to the sources mentioned in Schedule II. As far as I understand the English Acts, they are also constructed on the same principle, and I believe that once upon a time a judicial decision was reached wherein it was held that the owner of a property which did not come under any one of the items mentioned in the English Schedules, A. B. C. D. and E., was not liable to pay income-tax notwithstanding that that property did not come within the list of exempted properties. My amendment relates to this aspect of the law. My suspicion is that certain proprietors of incomes, by reason of the words which I wish to delete, escape the payment of income-tax altogether. My amendment relates to the following clause—It is repeated in the present Bill—Part III, clause (*a*), *i.e.*, interest on, 'promissory notes, debentures, stock or other securities of the Government of

India (including securities of the Government of India whereon interest is payable out of British India *by draft on any place in British India*)' I propose to omit the words 'by draft on any place in British India'. I could not understand why liability to income-tax was restricted to this particular form of payment. I strongly suspected, as I said when I sent in my notice of amendment, that under this qualification the holders of our Sterling loans escaped income-tax altogether. I need not remind the Hon'ble Council that the income-tax under our Act, as in England, is collected in two ways. One is before the income reaches the owner, by the method of what is called catching it at the source as in the case of Government promissory notes, where when the interest is paid the income-tax is deducted and then the balance is sent to the proprietor Of course, if we are not liable to pay income-tax at all, we must apply afterwards for a rebate but in any case, whether the holder of a security is liable or not liable on account of the minimum income from all sources being below Rs. 1,000 a year, if he is not liable to pay income-tax, the tax is yet deducted from the interest on the security and later on he is entitled to apply and get a refund. But in all these cases the income-tax is taken at the source and not collected afterwards from the owner of the income by proof as to what he has obtained. Now, in this particular case there is this difference between the holders of rupee securities and the holders of sterling securities as a class. The holders of our Sterling securities, unlike the holders of the rupee securities, escape paying income-tax altogether. They are not caught at the source on account of the existing wording of the clause in question, and as they are beyond the jurisdiction of the Government of India, they altogether escape as the second method of assessing and collecting the tax is not available in their case. I therefore beg that these words should be omitted in order to bring that large class into the scope of our Income-tax Act."

The Hon'ble Sir William Meyer:—"I understand, and in a way sympathise, with the Hon'ble Member's desire to get more money for us, but I am afraid that his proposal is not feasible. In the first place, he says that holders of Sterling securities escape the income-tax. They escape our income-tax because they are not liable to it, but they pay at the source in London to the British income-tax. Now Sterling securities have been ruled by the Law Officers of the Crown (and that necessitated an amendment to the Trust Act the other day) to be technically not Indian securities, that is not securities of the Government of India; they are securities issued in London by the Secretary of State for India. So that they are not taxable as securities under the Act, but only in the event of the proceeds being remitted out here, in which case they are taxable under section 3 (5) as incomes or profits accruing or received in British India. But as my Hon'ble friend came and spoke to me on this matter yesterday, I put it to him that, even if we had the power—which we have not—of taxing these Sterling securities, it would be very inexpedient to do so The interest on our internal loan we can tax as we think fit, but we do not borrow in London for the mere pleasure of it We borrow because we need the money, and the money is found for us by people who have often no connection with India and no desire to come to India, but just put their money into Indian investments as they might into Japanese or Australian, as a little investment. These people already pay a heavy tax to the British Government on what they get from our Sterling securities or other sterling securities which they hold. If we saddle them with a local income-tax as well, the result will be that our loans will fail; either we shall not be able to borrow, or we shall have to raise our rates and lose much more than we gain by this relatively small amount which my Hon'ble friend would like to rope in. All countries recognise the difference (Japan especially) between an internal and external debt. On your external debt you have got to treat your creditors lightly, because otherwise they will prefer to lend to somebody else.

"I may finally observe that, apart from that, a question has been raised—and I think it will have to be considered in connection with the readjustment of the fiscal relations between the component parts of the Empire which His Majesty's Government has indicated—the question of the double

income-tax, as to whether it is right and expedient that profits which people have made in (say) Australia or India or Canada, which are subject to income-tax by the Governments of those countries should be taxed again in London. We should certainly weaken our case, if we were—assuming even that we had the power to do so—to start the policy of double grab and say we are going to dip our hands into pockets which have already been mulcted by the British Exchequer. For these reasons, Sir I am quite unable to accept my Hon'ble friend's amendment."

The Hon'ble Mr. C. Vijiaraghavachariar:—"Sir, I fear that it would be very bold and perhaps impertinent of me, just a pupil who received his lessons to-day and yesterday, if I attempt to traverse the arguments of the Hon'ble the able Finance Minister, but it does strike me that, if, as his pupil, I cannot venture to criticise him, I may yet ask him some questions. It is, I believe, open to a pupil to ask questions of his teacher. So I do desire to ask him some questions. If double income-tax is paid as regards certain incomes, both in England and in the Colonies, may I know why, till a final Imperial settlement is reached, double income-tax should not be paid, both as regards India and England? And this is my question No. 1.

"But if there should be no double income-tax, why should not England be the loser? The money lent is ours; why should we lose the income-tax? It is only by a strange fiction that these Sterling securities are called securities of the Secretary of State. This fiction rests on an old remnant of, I should say, superstition of the old John Company whose principal place of business was in London. What business has the Secretary of State to call himself the 'Government of India'? The Government of India is here; and the Secretary of State for India is our agent for this purpose. Instead of calling those securities securities of the Secretary of State, may we not more accurately call them securities of Government of India from whom the money comes? And instead of enfacing interest as payable at Whitehall, why not enface them as payable in Delhi and add to the prestige of new Delhi? That is my question No. 2.

"May I ask how long is this artificial distinction between rupee loan and Sterling loan to be kept up? By the change of currency laws in India we have dethroned the rupee from its ancient position, and it is fast becoming a mere token coin. I cannot understand then why any distinction is still kept up any further between rupee loan and Sterling loan. Are the two classes of loans necessary? Cannot all be Sterling loans now? Is the artificial distinction between the two sets of loans and securities desirable? That is my question No. 3.

"Now it is said, the Hon'ble Finance Minister has said so, that if we insist upon income-tax as regards holders of Sterling securties, our loans in future would fail. Would it be altogether a disadvantage? If loans in the foreign markets are not available for us on fair terms, may we not then learn, more and more with the co-operation of the people of India, and not as now with the help of foreign investors, how to adjust our own domestic affairs and to get our loans in India itself on such terms as may be possible? And would not this course be a great national advantage in every interest? I simply ask this question. That is my question No. 4.

"I would also ask you to give me an answer to one more question and I shall sit down, and that question is this:—Is not the present policy holding out a premium to moneyed people to invest their money in Sterling loans instead of rupee loans? If Sterling security holders are immune from the Indian income-tax, if investors in this country can easily obtain Sterling securities, directly or by transfers, would they think of rupee loans with the invidious liability to pay income-tax on the interest? Is not this a very unsound fiscal policy? And is it not holding out a premium in favour of Sterling loans and make savings in this country shy of investment in rupee securities?

"These are the questions I would put and if the Hon'ble the Finance Minister will kindly answer them satisfactorily, I will certainly withdraw the amendment, otherwise I fear I must press it."

The Hon'ble Sir William Meyer:—"It is getting late and I should prefer the alternative of voting on the amendment at once to answering the questions."

The amendment was put and negatived.

The Hon'ble Sir William Meyer:—"I now move that the Bill, as amended by the Select Committee, be passed."

The motion was put and agreed to.

The Council adjourned to Thursday, the 9th March, 1916.

A. P. MUDDIMAN,

Secretary to the Government of India,
Legislative Department.

DELHI;
The 17th March, 1916.

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Thursday, the 9th March, 1916.

PRESENT:

The Hon'ble Sir WILLIAM CLARK, K.C.S.I., C.M.G., Vice-President, *presiding*, and 57 Members, of whom 50 were Additional Members.

FINANCIAL STATEMENT.

FIRST STAGE.

The Hon'ble Sir William Meyer:—"I beg, Sir, to open the first stage of the discussion on the Financial Statement for 1916-17."

RESOLUTION *RE* REDUCTION OF SALT ESTIMATE.

The Hon'ble Sir Ibrahim Rahimtoola:—"Sir, I beg to move—

'That the estimate of Revenue from salt be reduced by £600,000 (six hundred thousand pounds) and be passed at £3,400,000, so that the rate of taxation may be retained at the rate of one rupee per maund as during the current year.'

"Sir, in view of the several discussions which have already taken place in the Council, it is not my intention to speak at any great length on this subject. On the present occasion I am, personally, safe from any criticism because the object of my Resolution is that the poor may be relieved of this additional burden. I want to make it perfectly clear that I have never been opposed to the imposition of fresh taxation to meet the requirements of the Government of India. I have clearly disclaimed any intention of opposing increased taxation from any one of the three sources proposed by Government, if the money was needed for the purposes of administration to cover in full the estimated expenditure prepared by Government themselves. My objection has throughout been that at a time like this when, in consequence of the war and the effects thereof, the people of India have suffered as have all the other component parts of the British Empire, that fresh taxation should be imposed for the purpose of obtaining a surplus

"Sir, the financial position has now become clear. In consequence of the passing of the Indian Tariff (Amendment) Bill and the Income-tax Bill, the result of the next year's Budget so far has been clearly established as follows: The total deficit estimated in the Financial Statement of £2,600,000 has been more than covered because the estimated additional revenue will now yield £3,000,000—£2,100,000 from the Tariff Act and £900,000 from the Income-tax Act. This additional revenue of £3,000,000 places the position of the Budget as follows: the full estimated expenditure is now financed and there is a surplus of £400,000.

"On the present occasion, therefore, my object in moving this Resolution is to appeal to the Government to consider whether, having regard to the fact that they have already obtained a surplus of £400,000, they should obtain a further £600,000, estimated to be obtained from the salt tax, and swell the surplus from £400,000 to a million pounds.

"Sir, I clearly recognise that the salt tax is regarded by Government—and rightly too—as a reserve. For the purposes of administering a vast country like India, it is necessary that certain sources of revenue, certain sources of taxation, should provide a reserve to be called up in case of emergency; and I recognise that the salt tax lends itself to that kind of reserve. At the same time, there is this thing to be borne in mind, that that reserve should only be tapped when it is absolutely necessary—especially so because the incidence of this tax largely falls upon the poor. If, as I said, a case is made out for additional taxation, I am quite prepared to accept the position which the Government of India have taken up, namely, to take all the revenue they can get from the increase in the tariffs, the second source to be tapped being the income-tax, and the last source being the salt tax. Now, Sir, the first two sources have been tapped, and they give not only the entire revenue that is required for the purpose, but they provide a surplus of £400,000. Under these conditions, Sir, I would appeal to the Government of India to consider whether, in view of these facts, they should persist in carrying out their intention of obtaining an additional revenue of £600,000 from salt or, at all events on this occasion, leave salt alone, reserving it for next year if circumstances then necessitate increased taxation.

"Sir, there is an additional reason why I make this appeal. As a consequence of small increases and decreases in the salt tax considerable dislocation is caused in retail prices, and there is a strong body of opinion to show that the actual rates charged to the poor are in many cases in considerable excess of the actual additional revenue obtained by Government. Sir, taking that into consideration, would it not be better not to have this increase of four annas in the maund now till a strong justification is made out for additional revenue for administrative purposes, and then to regulate this tax in a manner so that it may be maintained at that rate for a considerable number of years. The constant changing of this tax leads to dislocation in retail prices, and it is to my mind eminently desirable that that should be avoided as far as possible.

"Sir, it is not my intention on the present occasion when we are dealing with the surplus in the Budget—whether that surplus be £1,000,000 or only £400,000—to go over the ground of moral or immoral budgetting, of finding a definition of taxpayer, or whether 3 or 4 per cent of the working balance can be easily dispensed with, or, again, whether the railway revenue is profits out of trade or indirect taxation, as I have repeatedly contended in this Council. These are points which may well be left alone on the present occasion. At a time like this it is desirable to avoid controversies and contentions as far as possible, and I do not therefore propose to go into those questions and occupy the time of the Council by any discussion about them. My only object on the present occasion is to appeal to the Hon'ble the Finance Member and the Government of India—knowing full well how keenly sympathetic the Finance Member is towards the interests of the poor—I appeal to him once again on behalf of those poor whether he should not be content on the present occasion with the surplus of £400,000 that he is going to get from other sources. As I said before, I am not satisfied that any justification exists for levying additional taxation in order to obtain an additional surplus. Well, Sir, a part of that surplus has already been obtained, and I now appeal to the Government to consider whether they will insist upon getting their full surplus of a million pounds, or, in the interests of the poor, be content with a surplus of only £400,000. Sir, with that appeal, I will conclude my observations."

The Hon'ble Mr. Surendra Nath Banerjee.—"Sir, I have a Resolution, the first part of which is identical with the Resolution moved by my Hon'ble friend, Sir Ibrahim Rahimtoola. Sir, my submission is, that it

would simplify matters if you would permit me either to move that Resolution or speak in support of this, and if I do speak in support of my friend's Resolution, you will, I hope, relax somewhat the time-limit, which is 15 minutes."

The Hon'ble the Vice-President.—"I think the latter course would be the most convenient for the Council and would save time; but I trust the Hon'ble Member will not abuse the relaxation of the rule which is permitted to him."

The Hon'ble Mr. Surendra Nath Banerjee:—"Sir, I am sure the Resolution which has been moved by my Hon'ble friend and the Resolution which stands against my name must strongly appeal to the sympathies of my Hon'ble friend the Finance Minister, for his Budget, despite exceptions here and there—and the most notable of these exceptions is the enhanced duty on salt—is the poor man's Budget, instinct with living sympathy for the poor man and his lot. Could I be persuaded that fresh taxation was necessary, I would give my wholehearted support to his proposals of taxation, save and except perhaps an item here and an item there and the proposed enhancement of the salt duty. But, Sir, my submission is that no case has been made out for fresh taxation, and if it was necessary to impose taxes for the purposes of raising money, it should be confined to the raising of the amount of the actual deficit. In that case the £600,000 which it is intended to obtain by the enhancement of the salt duty would automatically disappear. My position, therefore, is this—that taxation is unnecessary. And, Sir, I desire to consider for a moment the surpluses and the deficits for a period of 20 years extending from 1894 to 1914.

"During these 20 years we had 17 years of surpluses and 3 years of deficits. The surpluses came up to £40·9 million; the deficits of the three years came up to £8·4 million; and deducting the deficits from the surpluses we have for a period of 20 years the huge surplus of £32·5 million. Nor is this all. This surplus does not include £1 million of the Famine Insurance Fund which is charged off the accounts. When famine occurs expenditure is incurred and is shown in the accounts. However that may be, there is the outstanding fact that in the course of 20 years extending from 1894 to 1914 the Government of India were able by their taxation to accumulate a surplus of £32½ million which they have rightly, as I think, applied to the reduction of the debt. And how does the debt stand to-day, or rather on the 31st March 1915? The permanent debt of the country is £1·5 million. The statement might seem to be surprising; it may even be viewed with an air of incredulity, but I am prepared to prove it. The total debt of the country on the 31st March, 1915, amounted to the sum of £276 million; the exact figure is £276·5 million. The debt contracted for the purposes of railway construction amounts to 233·2 million £. Debt for the purposes of irrigation amounts to £41·1 million. ·9 million £ represents Delhi construction. Therefore deducting these amounts from the total debt, we have the national debt reduced to the figure which I have just mentioned, *viz.*, £1·3 million. Sir, I am entitled to hold that these debts for railway and irrigation are in the nature of an investment, and they must not be regarded as part and parcel of the permanent national debt. In 1912-13 and in 1913-14, irrigation and railways gave us a clear income of £5·9 million after paying all working charges and interest. In 1914-15, despite the war, they gave us a profit of £3·1 million. I do not indeed overlook the fact that we have temporary debts, unfunded debts, such as Provident and Saving Banks deposits; but against these we have to bear in mind the advances which the Government of India have made to the Presidency Corporations, to Municipalities and District Boards, to Native States and to private landholders. Therefore, Sir, here we have this fact that our national debt at the present moment, barring the investments to which I have referred, stands at the ridiculously small figure of £1·3 million; and my submission is that, having regard to the abnormal situation in which

we find ourselves at the present moment, the proper way to meet that situation would be by contracting a loan. My Hon'ble friend will probably say that you cannot get money at the present moment in the present condition of the market without a high rate of interest. Perfectly true. We may contract a temporary loan, renew it from time to time and merge it in a permanent loan in an improved market. And, Sir, there is another fact which has to be borne in mind, and which is very pertinent to the considerations I am now placing before this Council, namely, that the Government of India have always been exceedingly cautious in the framing of these estimates. A perusal of the Financial Statement will show that the actual surpluses have generally, if not always, exceeded the estimates, and the estimates of expenditure have generally, if not always, fallen short of the actuals. And the result has been that the huge surpluses of the Government of India have been kept down by doles to the Provincial Governments. My Hon'ble friend the Finance Minister, as a member of the Decentralisation Commission, remarked that these doles were wasteful and demoralising, but the Government of India have been indulging in the luxury of granting these doles, and at the same time having large accumulations of surpluses for themselves. I will give figures to show that we have been overtaxed in the past, and that we should not commit the same mistake again. Immediately after the taxation imposed by Sir Guy Fleetwood Wilson, I think in 1910, we find in 1911-12, £2 million given as doles to Provincial Governments, and in 1912-13, £3·7 million was given to the Provincial Governments. At the same time in 1911-12, the Imperial surplus was £3·9 million and in 1912, the Imperial surplus was £3·1 million ; and the Provincial balances stood at the enormous figure of £7 million, the prescribed minimum being only £1 million. Therefore, it seems to me that we ought to avoid taxation by contracting a loan; and of course if that were done, the enhanced salt tax would disappear.

"Sir, the Hon'ble the Finance Minister has made a statement in the course of which he gives the reasons for the imposition of the new taxes. It occurs at page 10 of the Financial Statement (paragraph 32). The statement is written with that brevity, conciseness and force which distinguish the utterances of Sir William Meyer. After having stated the difficulties experienced by the Secretary of State in raising loans in the English market, the Financial Statement says—

'We have also to recollect that the termination of the war, when it comes, will leave us with heavy financial demands upon us. We shall still, in all probability, have a large amount of temporary debt to pay off, and must also prepare for the liquidation of the rupee loan raised this year, which has to be repaid by 1923. We shall likewise have to surrender nearly £2 million which we shall have received in connection with the liquidation of hostile firms and the employment of captured enemy vessels. On the revenue side again, we must recognise that the experiences and lessons of the war must also add in some directions to our permanent military charges ; and, lastly, it is desirable that we should be in a position when peace returns, or as soon after as may be, to provide further funds for such beneficent purposes as the improvement of education and sanitation.'

"Sir, let us consider in seriatim the various points which have been urged by the Finance Minister. There is the debt contracted this year which has to be paid off in 1923. Sir, I venture to submit that 7 or 8 years are a long time to look forward to in the financial history of India. 'Sufficient unto the day is the evil thereof' is a maxim which administrators and even financiers may take note of. It is risky to take long views of things. The imagination comes into play, it distorts our vision and magnifies our difficulties. We have to pay off this debt in 1923, but we may raise a loan, it may be at an unfavourable market; but the market will not always remain unfavourable; the market will change, improve for the better. Renew the loan in a favourable market, merge it into the permanent loan, and in that way discharge the debt. And in the same way that £2 millions which have to be paid to the enemy may be dealt with. Then we are told that there are these great problems of sanitation and education which have to be faced and grappled with. I have the greatest sympathy with all the beneficent efforts which the Government may make in

that direction; but these are more or less Provincial charges. Undoubtedly the Government of India supplies the money; but in any case the Provincial balances have reached the huge figure of £7 millions.

"Sir, my difficulty has been, and I speak as a Member of a Provincial Council, that we cannot get the Provincial Governments to disburse them. They are not always able to get ready their schemes for the purpose of spending the money, and the sanction of the Government of India has to be obtained. Therefore what I say is this, the market is bound to improve, our resources are elastic, and will grow and expand. Having regard to these facts and that the permanent debt is only 1·3 million pounds, we invite the Government to give up 90 lakhs by the surrender of this salt revenue. I venture to think that, as a question of ways and means, this may be found by reducing the closing balances of 1916-17; the closing balances of 1916-17 is estimated at 24·2 million pounds, the closing balance of 1915-16 according to the revised estimate is 23·8 million pounds."

The Hon'ble Sir William Meyer:—"Where does the Hon'ble Member get these figures, I do not recognise them?"

The Hon'ble Mr. Surendra Nath Banerjee:—"I think they are correct; I have not got the books here, but I think they may be found to be correct. The surrender would reduce the closing figure to very much what it was last year. There is another point which I desire to submit for the consideration of the Hon'ble the Finance Minister, it is this; even before the increased tax was levied, the price of salt had been doubled, and that was due to the shortage of imported salt from Liverpool and the cessation of trade with the enemy countries. The effect of an enhanced tax would be to make the price more than double what it was. I would suggest that the Government should take palliative measures, measures which would afford facilities, for the manufacture of salt in this country. We had in Bengal large manufactories, in Orissa and in Midnapore they have been given up; revive this industry which will put money into the pockets of the poor and into the coffers of the Government I desire to associate myself with my Hon'ble friend's appeal that Government should reconsider the matter, and if it is impossible to give up the whole of the tax, at least to surrender one-half of it. This will be a *via media*, a reasonable compromise, if the Government should surrender 45 lakhs of rupees that would not make any material difference in the financial situation. With these words I support the motion."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, it would seem almost profitless to discuss this Resolution after we heard the remarks of the Hon'ble the Finance Member the other day on the amendment of the Hon'ble Mr. Dadabhoy. But the fact that, in spite of that discussion, two of my Hon'ble friends have thought it right to appeal strongly to Government to reconsider the situation, is evidence of the strong feeling that is entertained on the subject. I will not take up the time of the Council by repeating the arguments that have been used by my predecessors. I will invite the Government to look at the matter from another point of view. This year controversial questions are, by a wise ruling of His Excellency the President, to be avoided in this Council. The Budget proposals for additional taxation to the tune of £3,000,000 have been received by this Council, save with the exception now before us, with unanimity. Not only here but outside also, as is evidenced from the comments of the Press, the proposals put forward by the Hon'ble the Finance Member, excepting the one relating to salt, have met with general approval. Might I ask the Government, might I ask the Hon'ble the Finance Member, to look at the question from this point of view; at this time of pressure when other controversial subjects have been put aside, when even legislation pending before the war which was regarded as of a controversial nature has been put aside for the time, in order that controversies may not be heard in this Council, may I ask my Hon'ble friend to consider whether, in view

of what has been said, and in deference to the opinions expressed in this Council and outside, he will not reconsider the matter and be content with a surplus of £400,000, which the taxation imposed has already secured to the Government. My Hon'ble friend is aware, and the Council is aware, that numerous comments have been made against the increase of the salt tax; that complaints that the salt tax should be enhanced are general. There may be here and there some man who might express his acquiescence in the proposal that that tax should be raised There may be some blessed with plenty, who are not able to appreciate the fact that an increase of 4 annas in the salt duty will really press upon the poor. But when we take into account all that the poor have to pay and the general rise in prices, the proposed addition will not appear to be inconsiderable. I submit that, in view of the fact that the general public, including the poor, have through the additional import duties come in to pay their increased share of taxation, Government may be pleased to do without the enhanced duty on salt

"There is another aspect of the matter to which I will invite the attention of the Government of India and of the Hon'ble the Finance Member. In this Council it has been our complaint, and I am sorry to say that that complaint has been well founded, that never once are we able to bring about by our most unanimous, by our most earnest, by our most pathetic appeals, an alteration in the Budget proposals when they have been decided upon by the Government. We feel grateful that the Government invite us to take a part in discussing the financial affairs of the country.

"We have been contributing in our own way of time and of service to such discussion. But it seems hard, it seems unjust that non-official members who are called upon to vote on the Government proposals, and are expected to support them, should not be given the smallest opportunity of having a say in determining what taxation shall be imposed and what shall not be. I mean no disrespect to the Government and none to the Hon'ble the Finance Member, whose courtesy we acknowledge with pleasure; but the fact is that, when Budget proposals are considered, not one member of the non-official body is taken into confidence and asked to make suggestions or asked to express an opinion as to the propriety or otherwise of the various proposals which may be under the consideration of the Government. That places us, the non-official members, in a disadvantageous position. The unsatisfactory character of the existing arrangements is accentuated when it happens to be the case, as it is now, that we are able and willing to render our loyal, enthusiastic and firm support to the major part of the proposals contained in the Budget, but we feel strongly at the same time that some other proposals are open to grave objection. We feel that if we had an opportunity of discussing the matter with the Hon'ble Sir William Meyer before the proposals were announced possibly, probably, we might have been able to persuade him not to enhance the duty on salt, and to be content with the surplus of £400,000 which the taxation already agreed to would bring to him.

"But finding ourselves in the position we are, I invite the Hon'ble the Finance Member, and I invite the Government of India, to initiate a new departure in this year of war, which also happens to be the last session of His Excellency the Viceroy's administration. Let there be this new departure initiated that, after proposals for taxation have been made public, after even a Notification has been issued, enhancing the duty on salt, the Government of India, in gracious deference to the public opinion expressed in this Council and outside it, withdraw that Notification and be content with the additional taxation that has been imposed. The adoption of such a course will not lead the Government into a false position, for there is no proposal at this moment before the Government to alter or amend the Indian Salt Act, and under the provisions of that Act, His Excellency the Governor General can, at any time, by a mere Notification, increase the duty on salt not only by four annas, but up to the extent of Rs. 3 per maund. That is a power which few Governments possess, and that is a power the existence of which affords very strong support to the appeal

which I make. It is not likely that the Budget, which has been carefully prepared under the direction of the Hon'ble the Finance Member and the Hon'ble the Finance Secretary—it is not at all likely, I say it is very improbable, that the Budget will be found to be overestimated so far as revenue is concerned. I agree with my friends who have spoken before me that the chances are that the Budget will be found to be, as many previous Budgets of India have been found to be in the last many years, over cautiously prepared, and that at the end of twelve months, we shall find that a much larger revenue has been derived from the various sources than has been estimated in the Budget. That being so, there is no reason to apprehend any embarrassment, I will not say disaster, for that is utterly out of the question, there is no reason to apprehend any financial embarrassment to the Government of India if the Government will be pleased, as I earnestly hope it will be graciously pleased, to accede to the prayer which has been made in the interests of the poorest of the poor."

The Hon'ble Sir William Meyer :—" Sir, I wish to acknowledge the very moderate and friendly spirit in which the Hon'ble Sir Ibrahim Rahimtoola has brought forward his Resolution. At the same time, I still think that to bring it forward at all was unnecessary, seeing that we had the matter out fully at the last sitting. It was perfectly legitimate for Sir Ibrahim to table his Resolution when he did, but in the meantime the wind had been taken out of his sails, so to speak, by my friend Mr. Dadabhoy who had brought up the question of the salt tax in the discussions we had at our last sitting on the Tariff Bill. Therefore, I say, it seems to me to be taking up the time of the Council to little purpose to revive a discussion which was carried out fully and seriously the day before yesterday.

" My Hon'ble friend's main argument is, that it is undesirable that we should have an estimated surplus of one millon pounds in 1916-17. The enhancement of the salt tax is estimated to give us £600,000, and he argues that we can do quite well with £400,000. If I may say so, he has advanced in financial virtue, for at the last sitting he wanted to have no surplus at all, or even a deficit of £500,000. I hail this moral progress ; and I hope that in the course of time the logic of facts will convince my Hon'ble friend that in the present state of things a surplus of one million pounds is not too much. I quite admit that, if in a time of peace we had, by reason of unfavourable financial circumstances, to increase taxation, we ought not to increase the taxation more than would be necessary to meet our expenditure estimates and leave a small margin. But, as I reminded the Council at the last sitting, the times are very different now. We are living in a period in which our revenue estimates may be badly dislocated, in which expenditure may go up to an extent which we cannot foresee at present. As I said on the last occasion, this year it was necessary that we should meet an unexpected increase in our military expenditure, and we were only saved from having a much bigger deficit than we anticipated by the quite unforeseen way in which the railway receipts came in. We cannot gamble on a recurrence of those favourable circumstances at a time like this, which has very peculiar anxieties, and which may produce unforeseen events. I should think that I was failing in my duty to Government and to the people if I were content to work on narrow margins. It must be remembered, too, that if our surplus should be less than we expect ; if, indeed, as may quite possibly happen, the estimated surplus should disappear altogether, we cannot reasonably have recourse to the London market. We do not want to embarrass His Majesty's Government in obtaining all the money they can for the war by making demands in the home market for India.

" Then, my Hon'ble friend, observed, and two other speakers I think argued, that the small addition of four annas a maund to the salt tax was undesirable as leading to a dislocation of retail prices. My Hon'ble friend, I think being a man of wide ideas, if he did increase the salt tax at all, would like to raise it a good deal more than four annas. Well, I am content with

small things, I think myself that a four-anna increase, while it brings an appreciable revenue to Government, a revenue which we cannot safely forego in these times, will not hit the poor very much: to a certain extent no doubt, but not to the full extent that the small increase of duty might in itself warrant. I think, it is not unlikely, that a part of the extra tax will be paid by the trade, the wholesale dealers, and to a certain extent, possibly, the retailers too.

"I have had naturally—the Finance Minster in every country does, I suppose—a variety of communications in regard to this Budget, and I was very pleased to find that two very eminent Indian economists hold the same view as I do, and think that this taxation will not inflict any material hardship on the poor.

"The Hon'ble Mr. Banerjee, having, unfortunately for us, been absent from the last sitting, proceeded to retail a number of statistics which Sir Ibrahim Rahimtoola had already made play with the day before yesterday. I will not go into these matters again. My friend, I believe, is a careful student of the works of Dickens, and when he was speaking, I recalled to myself the immortal Mr. Micawber. My friend professed to object only to the salt tax, but it was clear as he warmed to his subject that he objected to any taxation at all, so long as he could borrow. 'Let us borrow', he says; 'it is true that some day or other the loan may come in and the creditor may demand payment, well let us then borrow again at a higher rate of interest'. That is Micawber finance, but it is hardly suitable, I think, for the serious—"

The Hon'ble Mr. Surendra Nath Banerjee:—"I said, Sir, our credit would improve and we should be borrowing at a lower rate of interest in an improved market."

The Hon'ble Sir William Meyer:—"Mr. Micawber always thought that 'something was going to turn up,' and so does my friend. I do not share his views. As I said at the last sitting, the Budget is already, perforce, a gamble on rain and a gamble on railways, but I am not going to make it a gamble on something going to turn up.

"My Hon'ble friend also made a very interesting statement as to the Provincial balances. He says the Provincial balances are inordinately swollen. I rubbed my eyes because I find that he has got two Resolutions down on the present day's agenda inviting extra grants from the depleted Imperial treasury to his own province of Bengal. I take it that these Resolutions were tabled in a fit of absence of mind, and that my Hon'ble friend, having now studied the state of the Provincial balances, will promptly withdraw them.

"I took him up while he was speaking in regard to our closing balances. I think he took the figures from an abstract statement, which includes moneys which belonged to the Gold Standard Reserve and other funds. The actual closing balances which the Government of India have ordinary control over and the character of which I explained at the last sitting will be, as far as I can now estimate, £17,700,000 in India and England together on the 31st of March and £17,400,000 at the end of 1916-17.

"The Hon'ble Pandit has asked us to avoid controversy and to yield to the 'unanimous wish' of the non-official members of Council. Well, I cannot find that there is any such unanimous wish, because at the last sitting two of the non-official members of Council, my friend Mr. Das and my friend Mr. Shafi said that they approved of the salt tax in present circumstances. I rather think, too, that the Hon'ble Sir Fazulbhoy Currimbhoy said the same. Therefore, there was no unanimity among the non official members of Council. Then, he says, drop the salt tax in order to avoid controversy. Well I am afraid we cannot import that axiom of avoiding controversy into financial affairs, because it would be so easy for anybody to say that he objected to a tax and that it would lead to acute controversy to proceed with it, and then we should have to drop it. The salt tax has no doubt been disapproved in some quarters; while in other quarters it is regarded as necessary. But similarly,

in some quarters the increase of income-tax is not looked on entirely with happiness. Are we to drop that because it will raise controversy? One Calcutta newspaper, I think, objected to the Budget lock, stock and barrel. Is the whole Budget therefore to be scrapped? I am sure my Hon'ble friend will see that we cannot adopt this axiom of dropping taxation which, after very careful consideration, we thought to be necessary, merely to obtain unanimity.

"Then he speaks of the desirability of consulting non-official opinion before framing budget proposals. It is always open to any non-official member of this Council or any non-official member of the public, to put his views before me as to what taxes might or might not expediently be imposed. Certain members of this Council did so before the Budget was framed, or while it was under consideration. I was very glad to have their views; but to go further than this, to admit the non-official members to a share in the framing of the Budget would be going far beyond what the Chancellor of the Exchequer does at home. He tries to frame a Budget that will be in consonance with the opinions of his party and the country; but he certainly does not take independent members into counsel as to the details of his scheme, nor does he modify his Budget in principle when he has once tabled it. If a Government at home is defeated on an important Budget proposal, it resigns. So that I think my Hon'ble friend is looking to a Uptopian state of things that does not prevail even in the classic land of Liberty and Parliaments.

"There is only one more point I need notice, and that is the argument that we might go on with a modest surplus of £400,000, and that if things go wrong, we could use the executive power we have got to raise the salt tax. As I said at the last sitting, I deprecate doing that except in the last resort. We know how uncertainties affect trade, and to my mind such alterations in prices as have taken place in salt are largely due to speculation with reference to Budget proposals, to withdrawal of stocks or to holding them up and so forth. I should be very sorry indeed to look forward to a state of things in which the trade would remain in this state of uncertainty, with people scanning the railway returns, the land-revenue returns, and the various signs by which they think they can read the financial position of the Government of India looking out for this information, and then having gossip in the bazaar as to whether the salt tax is to be raised or is not to be raised. That would hurt the people in the long run far more than the definite and small increase of a small amount which we have now proposed and to which we think it our duty to adhere.

"I hope my Hon'ble friend the Mover, having regard to my speech and his desire to avoid needless controversy, will now withdraw his Resolution. If he cannot see his way to do so, I can only oppose it."

The Hon'ble Sir Ibrahim Rahimtoola:—"Sir, I had hoped that the manner in which I placed my Resolution before the Council would have some restraining effect upon the great fund of humour which the Hon'ble Finance Member undoubtedly possesses. Whether the humour brought forward to-day so far as my remarks are concerned is good, bad or indifferent, I will not trouble the Council with discussing, but I will say this, that if his desire was that no further time should be spent in the discussion of this subject, he might have abstained from covering points which provoke a retort. Sir, I was told in that great humourous way that I am making rapid and substantial moral progress in my ideas of economics and finance. Sir, I have been a humble student of these subjects for close upon a quarter of a century, and I will candidly confess that I am obliged to revise various ideas which I had formed from that study by sitting at the feet of so great and overwhelming a master of economics and finance as our esteemed Finance Member is.

"Sir, for the first time I have learned that the Chinaman in buying our opium is the taxpayer, and not the Indian producer or the cultivator of poppy. I have further learned that when you have a substantial balance and overwhelming reasons in other directions, that it is immoral to state that a Budget with a small deficit caused by the attitude of Government

themselves is an immoral Budget. I am also beginning to learn that though Government have a monopoly of railways and regulate the minima and maxima rates, that that revenue is not indirect taxation but is profits on business transactions made owing to Government holding a monopoly, and that Government can by regulating rates bring about results in the matter of railway revenue yielding what I have now learnt to call enormous profits to the State. Sir, these are all the lessons that I am repeatedly learning, and I daresay that, within a short time hereafter, I shall have revised all the lessons I have learned in the past, sitting at the feet of the great master, as I have already stated.

"Sir, I wish it to be clearly understood that I am not opposing the Budget, I am not objecting to Government having a surplus of one million pounds. Sir, the time I have taken in explaining my position to the Council is sufficiently warranted because of the misapprehension which the remark of the Hon'ble Member leads me to believe he is labouring under, namely, that I object to a surplus in the Budget of one million pounds. I do not object to this surplus. I say that no one will be better pleased than myself to have a larger surplus in the Budget at a time like this. What I do object to, and object to most strongly, is that additional taxation should be specifically imposed to obtain a surplus. Sir, I cannot make my meaning clearer than I have tried to do and am trying to do. I say it is absolutely wrong in principle—of course I mean the principle as I have learnt to understand it better, not the principle that I am now revising. The principle that I learnt was that it is wrong to impose additional taxation in order to enable Government to have a surplus, especially in view of the fact that there are absolutely strong, undisputed safeguards in the great financial strength of the Government of India which I tried to indicate by a great number of statistics and facts which I placed before the Council on the last occasion. Sir, I do not object to a surplus, I would be pleased to have a surplus; but I most strongly object to additional taxation for that purpose, especially when it is imposed on the poor and that it should be levied in order that a surplus of 60 lakhs of rupees should be converted into a crore and a half. That is the point.

"Then, Sir, I was told that it was unnecessary, in view of the previous discussion, to have moved this Resolution. Sir, I regard it not only as not unnecessary but, consistently with my duty, as essentially necessary on the present occasion to move it. In speaking on the Hon'ble Mr. Dadabhoy's motion on the 7th instant, I clearly pointed out that that was not an opportune time to raise the question of the salt tax, because the Tariff Act and the Income-tax Act had not been settled. This most appropriate case for which I am representing is overwhelmingly strong now, because a surplus of £400,000 has been absolutely secured. If that is so, I ask whether there is any justification for imposing a tax on the poor and obtaining £600,000 more for adding to and swelling the surplus.

"Sir, it was only during one of the years to which I referred the other day that the Budget estimates of the Government of India opened with a surplus of less than £400,000. If the then Finance Member—I think it was Sir Guy Fleetwood Wilson—was content to open his Budget statements for the next year with a surplus of less than £400,000, I should like to know why the same thing should not occur again to-day. Sir, the Hon'ble Member charged me with playing with figures. I think I might retaliate and say that he was playing with my arguments when it was urged that I objected to a four-anna increase in the salt tax, and that it should be considerably more. I never did anything of the kind. I said that in view of the fact that the salt tax was a reserve, and that a dislocation would be caused to retail prices by a sudden increase or decrease in an article like this, it was all the more necessary to exercise great caution and discrimination in frequently raising or reducing a tax of this description. A tax of this description should be raised on only such justification as would, in looking forward to the future, lead one reasonably to expect that that tax will be maintained at a given standard. Any frequent increase or decrease is objectionable, because it takes a long time, when the reduction comes, to reach the small consumer. It is for that reason,

Sir, and stating again the principles that I have learned, that I say that any tax like this with constant variations ought to be avoided. If there had been a case for this increase, if the money was needed for expenditure estimated for by the Hon'ble the Finance Member, I would have warmly supported it. I am not opposed to this tax in principle; I have said that repeatedly. I repeat that I would have been quite willing to agree to it if there had been any justification for it. I submit that there is no justification for it. I therefore submit that this and this alone is the proper time, when a surplus is absolutely assured, to urge upon Government that this additional taxation should not be levied. And if I have thought proper to bring it forward at this stage, it is because it is an appropriate opportunity for so doing.

"In conclusion, I again ask, in spite of what the Hon'ble Member has suggested, that my appeal on behalf of the poorer classes will lead to its consideration by the Government of India. Whatever may be the fate of my Resolution, I trust that, in view of the pathetic appeal made by the Hon'ble Pandit Madan Mohan Malaviya, the Government, in a meeting of their Executive Council, will very carefully and dispassionately consider the reasons which we have urged against this increase to the salt tax, and that they will, just as by an executive order they imposed an additional duty, also do away with it by an executive order.

"Sir, feeling as I do in the matter of levying fresh taxation for a surplus, I do not propose to withdraw this Resolution."

The motion was put and rejected.

RESOLUTION *RE* INCREASE OF THE PROVINCIAL GRANT FOR ANTI-MALARIAL OPERATIONS.

The Hon'ble Mr. Surendra Nath Banerjee:—"Sir, I have the honour to move the following Resolution :—

'That this Council recommends to the Governor General in Council that the grant to the Province of Bengal be increased by six lakhs or such other suitable sum as may be deemed necessary for carrying on anti-malarial operations in selected areas.'

"Sir, this is a necessary corollary to the Resolution which I had the honour to move in this Council in February last, and which the Government graciously accepted. I moved that the Government would be pleased to issue instructions to Local Governments to take vigorous measures for the prevention of malaria. The Government of India, in accepting that Resolution issued prompt instructions in accordance with its terms. But, Sir, the adoption of vigorous measures necessarily implies the expenditure of money for the purpose. Questions of administration after all, when analysed, resolve themselves into questions of finance, and none in a greater measure than the question of the prevention of malaria. The American Government spent a mint of money in reclaiming the tract of land about the Panama Canal. I cannot indeed invite the Government of India, in the present circumstances, to emulate the generosity of the American Government, but something has to be done. Government cannot sit still when people are dying in their thousands and tens of thousands through a preventible cause, and when the Government has instructed subordinate administrations to take vigorous measures for the removal of that cause.

"The chief obstacle in this, as in many other measures, is money. We want large sums of money for anti-malarial operations, and I will quote the authority of Dr. Bentley, the Sanitary Commissioner to the Government of Bengal, in this respect. This is what he says in his report on anti-malarial operations in the Dinajpur district—

'The chief obstacle is the inability of the country at the present time to meet the enormous expenditure required for carrying out the measures with the necessary completeness in places which are not favourable for such work.'

"We take it therefore that where the circumstances are less unfavourable, an enormous expenditure of money might be avoided. Some money

however has to be spent if prompt measures are to be taken for the prevention of malaria; and, Sir, I will say this that the public funds could not be applied to a more useful or a more righteous purpose than the saving of human life and the alleviation of human suffering. Measures for the public health constitute the first charge upon the public funds. That, I take it, is the fundamental creed of all civilised Governments. Expenditure in other directions might be curtailed, but not in a supreme question like this affecting the life and the happiness of millions of people. And, Sir, I make a very moderate demand. All that I want is six lakhs of rupees to be applied to anti-malarial purposes in selected areas. Our efforts in the past have been spasmodic, without system, and therefore futile. What I would recommend is, that a definite plan of campaign should be organised, applicable to a particular area and carried out in a thorough and business-like manner. The proper thing to do would be to take up two or three districts where malaria is most prevalent and where the circumstances that conduce to the success of anti-malarial operations, are more or less well-known to the authorities I have in my mind three districts: the district of Burdwan, the district of Murshidabad, (from which my two Hon'ble friends here come), and the district of Nuddea Malaria has decimated these districts My Hon'ble friends can testify to that fact. The birth-rate has decreased and the death-rate has increased. The country is full of wild jungle. I think these districts ought to be taken up, and the knowledge that would be acquired by the application of a particular method to a particular area would be useful in anti-malarial operations elsewhere.

"I know the difficulties of the Government; the finances press; but the question is one of supreme importance. I hope and trust that no technical grounds will be permitted to interfere with the acceptance of this Resolution by the Government. Various arguments against it may be adduced. I might be told 'go and apply to your own Government about this matter.' Further, I might be told 'you are a friend of provincial autonomy: this is inconsistent with the principles of provincial autonomy.' I think we ought to brush aside all these technicalities in view of the supreme need that exists in Bengal and elsewhere for the prevention of malaria. I hope and trust that my Hon'ble friends, when replying to this motion, will not take their stand on these grounds, but will deal with the question in the broad spirit of liberal statesmanship which ought to distinguish the Government of India in approaching a question of life and death affecting the happiness of millions of my countrymen. For these reasons, I beg to lay this Resolution before the Council."

The Hon'ble Sir C. Sankaran Nair:—"I oppose this proposition. My Hon'ble friend wants the Government of India to grant to the Province of Bengal a certain sum of money. But the Government of Bengal have not asked us for anything. They have not told us that they are going to take any anti-malarial measures for which they want money. If they have anything in contemplation, they have not told us what those measures are likely to cost. Without knowing all that, it is almost impossible for us to say whether we should grant any money, and what amount we should grant. The Resolution, on the face of it, seems premature.

"My Hon'ble friend is a member of the local Legislative Council. All the arguments that he put forward here should be addressed to the Government of Bengal in order to persuade them to put forward anti-malarial measures for the consideration of the Government of India, and to ask us for any money if they might want it. It has to be remembered that the Government of Bengal have also got a large balance, though they cannot now draw upon it except under special conditions. While, therefore, that is the state of things, and while we have to meet a heavy deficit by fresh taxation, it is out of the question to make such an anticipatory grant as my Hon'ble friend suggests. I have therefore to oppose this Resolution."

The Hon'ble Mr. Surendra Nath Banerjee:—"I take it, Sir, from the observations which have fallen from my Hon'ble friend, the Member in charge of the Department, that he is in sympathy with the main objects of

this Resolution. His objection is to the *modus operandi* which I have thought fit to follow in this case. My Hon'ble friend says that the Government of Bengal has not asked for any money, and that he does not know what the intentions of the Government of Bengal are in regard to this matter. Well now, suppose the Government of Bengal were to ask for some money, would the Hon'ble Member be prepared to give it?"

The Hon'ble Sir C. Sankaran Nair :—"That matter would be considered on its merits."

The Hon'ble Mr. Surendra Nath Banerjee :—"I am very pleased to hear it. The difficulty of the situation is that the Government of Bengal cannot spend their money, as my Hon'ble friend has just pointed out. They have been instructed not to spend any Imperial grant without the previous sanction of the Government of India. I am not permitted to disclose the secrets of my prison-house, and I certainly am not going to do so in the presence of an official of the Bengal Government sitting here. But, as a matter of fact, I know—I may say so without revealing any secrets at all—that the Government of Bengal is most anxious to start anti-malarial operations. I believe they are willing to start those operations in connection with two or three districts; but the money is wanting, and I am glad to have the assurance of my Hon'ble friend opposite that if the Government of Bengal were to ask for money, and if they were to communicate to him their schemes in regard to anti-malarial operations, he would consider, and I take it favourably consider, them and sanction the expenditure. May I have that assurance?"

The Hon'ble Sir C. Sankaran Nair :—"I did not say all that."

The Hon'ble Mr. Surendra Nath Banerjee :—"No, but I want an assurance from the Hon'ble Member. I take it from the silence of my Hon'ble friend that he is inclined to accept this view of the matter. Under those circumstances, I withdraw my Resolution."

The Resolution was by permission withdrawn.

RESOLUTION *RE* INCREASE OF THE PROVINCIAL GRANT FOR THE EQUIPMENT OF THE CALCUTTA UNIVERSITY COLLEGE OF SCIENCE.

The Hon'ble Mr. Surendra Nath Banerjee :—"Sir, I have the honour to move the following Resolution —

'That the grant to the Province of Bengal be increased by three lakhs for meeting the cost of equipping the Calcutta University College of Science.'

"Sir, the Calcutta University College of Science owes its birth to the philanthropy of two distinguished men, two of the most illustrious Bengalis of the present generation, the late Sir Tarakanath Palit and Sir Rash Bihari Ghose. Their benefactions in this connection have shed a lustre upon their province, and I have no doubt will stimulate philanthropic efforts among our countrymen in all parts of India. Sir Tarakanath Palit gave away the whole of his fotrune—his princely fortune—of 15 lakhs of rupees, built up by himself, for he was not born with a golden spoon in his mouth, for the spread of higher scientific education in Bengal. Sir Rash Bihari Ghose followed his example by making a gift of 10 lakhs of rupees. I believe that the nation is the heir to what remains of the fortune of Sir Rash Behari Ghose and what he may still accumulate by his earnings. The proceeds of Sir T. Palit's endowment are to be applied to the creation of two chairs, one of Chemistry and the other of Physics in the new College of Science and of a number of research scholarships. The proceeds of the endowment of Sir Rash Behari Ghose are to be applied to the founding of four chairs of Botany, Applied Mathematics, Physics and Chemistry, and eight research scholarships. The University of Calcutta, on receipt of this grant, proceeded to construct a building for the College out

of its own funds at a cost of 3 lakhs. The building is now nearly complete. In December, 1912, the University of Calcutta applied to the Government of India for a non-recurring grant of 15 lakhs of rupees, with a full statement of the endowment and of the responsibility which the endowment imposed upon the University. In October 1913, the University of Calcutta again approached the Government with an application for a recurring grant of Rs. 84,000 a year, so that the College of Science may be in a position to commence its full career of work and open the departments of Botany, Zoology, Physics, Chemistry and Applied Mathematics. The Government replied saying that it was impossible to make a grant at that time, but that the question would be considered. In June, 1915, the University of Calcutta laid an exhaustive statement of its financial position before the Government, and also a scheme for organising the College of Science upon a satisfactory footing. The University pointed out that the arrangements made in Bengal for the spread of higher scientific education were inadequate. The Presidency College had M.A. classes which taught only Physics and Chemistry. The Dacca College had M. A. classes only in Chemistry. They also observed that the College of Science would be an institute for research, and that the professors would be in a position to carry on research work unburdened from the exacting duties of their routine professorial work in College. In July 1915, the University out of its own funds made a small grant of Rs. 15,000, and partially fitted up the laboratory of the College. M Sc. classes were opened with 8 students. Sir, this is the work that has been done by private philanthropy aided by the resources of the University, and I appeal to the Government to come forward with adequate funds for the purpose of placing the College of Science upon a satisfactory footing. I have got a statement to show the actual needs of the College at the present moment. It is a statement which has been drawn up by an expert acquainted with all the facts of the case. He says that a sum of 3½ lakhs of rupees would be required as a non-recurring expenditure; the detailed items being as follows :—

Rs. 75,000 for the physical laboratory;
Rs. 75,000 for the chemical laboratory;
Rs. 75,000 for the biological laboratory,
Rs 10,000 for the experimental psychological laboratory,
Rs. 25,000 for the workshop,
Rs 50,000 for the library,

and Rs. 40,000 for the completion of the building, fencing, etc., making altogether Rs. 3½ lakhs. My Resolution recommends a grant of only Rs. 3 lakhs. These items might be revised or the grant for the library might for the present be suspended. I do hope that Government will come to the help of this institution The Government of India have always been the generous patron of learning. During the Viceroyalty of His Excellency Lord Hardinge scientific education has received a stimulus all its own. Our great scientist, Doctor J. C. Bose, has been furnished with ample funds through the beneficence of the Government, so that he may carry on those researches which have extended the bounds of human knowledge, and have shed lustre upon the Indian name. Sir, I think it is right and proper that this College of Science, which owes its origin to the philanthropy of two distinguished Indian gentlemen, and in which the University of Calcutta has taken such a keen interest, should receive the generous and practical support of the Government of India. With these observations, I beg to move this Resolution."

The Hon'ble Sir C. Sankaran Nair.—" Sir, I have to oppose this Resolution for reasons very similar to those which I advanced in opposition to the last Resolution. I am not concerned now either to accept or to deny the various facts or arguments which have been put forward by my Hon'ble friend. I shall only say for the present that there is no application either by the University or by the Government of Bengal pending before the Government of India for any grant of money. My friend knows a good deal about the facts and about the correspondence that passed between the Government

of India and the University or the Government of Bengal; but he is apparently not informed of a fact which is subsequent to all that he has referred to, and that is, that we have asked for certain information in October 1915, information which we have not yet obtained. We shall consider the request when made by the Government of Bengal on its own merits. We may then reject the application *in toto*, or we may see reasons to grant it either in whole or in part About that I can for the present make no promise. But it has also to be noticed as I said before that the Government of Bengal have got their own large balance, though it might be true that they are not entitled to draw upon it except under special circumstances. In these circumstances at this stage the Government of India, when they have to meet a deficit by taxation, do not see their way to make any promise or to make any grant."

The Hon'ble Mr. Surendra Nath Banerjee:—"Sir, it is news to me that the University has not applied; but as a matter of fact from the statement which I have just placed before the Council it will have been seen that the University applied more than once, in 1912 for a non-recurring grant of 15 lakhs and again in 1913 for a recurring grant of Rs. 84,000 annually, for the Science College, and the Government of India said in reply to one of these requests that the matter would be considered, as at that time funds were not available. Therefore, although the University might not have made a recent application, the fact remains that, since the foundation of the college, the University has again and again been coming to the Government of India for grants. I shall certainly ask the University authorities to make a further application in this connection in accordance with the suggestion which has just been thrown out by the Hon'ble Member.

"If the University is able to make out that a grant is necessary in order that the College may be placed on a satisfactory footing, I hope the money will be forthcoming. I hope my Hon'ble friend is able to give us that assurance, not a promise, I do not ask for a promise, but for an assurance, a sympathetic assurance of a benevolent attitude in regard to the College of Science. Unless the money is forthcoming, I am afraid the College cannot carry out its work satisfactorily; Rs 25,00,000 are practically locked up, the University building is not finished, the laboratory is not what it should be, there is no library—all these are essential conditions for the successful working of the College of Science. Unless the Government of India comes to our help, I am afraid it will not be possible to fulfil the high objects which the illustrious donors had in view, and which inspired their generosity. I hope when a scheme has been made out and is supported by the Government of Bengal, my Hon'ble friend will see his way to issue instructions for unlocking the funds of the Government for this purpose. I beg to withdraw the Resolution."

The Resolution was by permission withdrawn.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Mr. C. H. A. Hill opened the second stage of the discussion on, and introduced the following heads of, the Financial Statement for 1916-17:—

Revenue.	*Expenditure.*
Land Revenue.	Land Revenue.
Provincial Rates.	Provincial Rates.
Forest.	Forest.
Scientific and other Minor Departments.	Scientific and other Minor Departments.
Irrigation.	Famine Relief.
Civil Works.	Protective Works, Irrigation.
	Irrigation.
	Civil Works.
	Capital outlay on Irrigation.

He said :—" I now beg to introduce the heads of Revenue and Expenditure standing against my name. The subjects of Land Revenue and Famine Relief have been so fully set forth in the Financial Statement that I have nothing to add regarding them. As has already been explained by the Hon'ble the Finance Member, expenditure has had to be so rigorously curtailed, both during the current and in budgeting for the coming year, whether on Agriculture or Forests, that there is, perhaps, less to explain than usual this year. I may observe, however, that this fact has not prevented Government from endeavouring in connection, specially with Agriculture, to pave the way for the time when funds will again be available for well-devised expenditure. We are, in fact, utilising the time during which expenditure must be restricted, by preparatory and experimental work, as will appear a little further on.

" In regard to Forests, the revenue which is almost entirely provincial, has continued, as was the case last year, to suffer from the prevalence of war, but we have been able to provide, from Imperial revenue, funds for the services of a Tannin expert, who has been engaged for two years, to investigate and report on the feasibility of promoting the industry on a large scale hereafter. The appointment of Forest Engineer, which was sanctioned for two years in 1913, has been extended for a further period of three years, and the Engineer is now employed in the United Provinces. In Bombay and the United Provinces, a Chief Conservator has been sanctioned, while a large increase of the controlling staff in the United Provinces, involving the addition of 10 Imperial officers, 2 Deputy Conservators, and 16 Extra Assistant Conservators, has also been sanctioned. The reorganisation of the controlling staff sanctioned for Assam will have to be deferred until Budget provision can be made.

" As instancing the work of preparation which is going on in anticipation of the recurrence of more favourable financial conditions, I may mention that three important Conferences connected with Agriculture have been held during the current year. The first of these was the Inter-Provincial Jute Conference, held in Calcutta in August, 1915, the recommendations of which are now under the consideration of Government in consultation with the Local Governments concerned. It is hoped that, in due course, good results will ensue from the deliberations which then took place. The second Conference was the one recently held to discuss the subject of Agricultural Education, just before the meeting of the Agricultural Board at Pusa last month. Considerable interest has recently been displayed in various quarters on the subject of agricultural education generally, and, as there seemed to be a certain amount of confusion of thought on the subject, it was considered desirable to convene representatives from most of the provinces to discuss the subject, mainly from the Agricultural standpoint. Government are still awaiting the report of the proceedings of the Conference, and it would, of course, be premature to say anything committal on the subject at the present moment. It may, however, be useful to those interested in the matter if I mention that the Conference, in the course of its proceedings, took into consideration a good deal of literature on the subject from America and from elsewhere, and approached it primarily from the point of view of the promotion of improved agricultural methods throughout the country and a consequential advance in its economic resources. In view of what has already appeared in the Press, it will also be permissible to remark that the Conference came to the general conclusion that the direct teaching of Agriculture in the ordinary schools of India was impracticable, although it was desirable, so far as possible, to adapt the text books of rural schools to the ordinary surroundings and occupations of the pupils. In regard to the direct teaching of Agriculture, the Conference was very favourably impressed with the results achieved in the course of the experimental vernacular schools for Agriculture in the Bombay Presidency, and suggested that the question of extending these should be considered.

"The third important Conference was the ordinary periodic meeting of the Board of Agriculture at Pusa. There, one of the most important matters discussed was a paper, prepared by the Agricultural Adviser, outlining a scheme

for improving the cattle of India from the dairying point of view, and the Board, in considering this paper, also discussed at some length the question of measures for the improvement of the breeds of plough cattle also. The importance of this subject cannot be overstated in its relation to the general Agricultural resources of the country.

"Another matter of importance to India, which is receiving attention, is the possibility of reviving the indigenous silk industry. For this purpose, we have obtained the services for one year of Mr. Maxwell-Lefroy, who had done eminent service in research work as Imperial Entomologist at Pusa. Mr. Maxwell-Lefroy is at present touring through India on his mission, and we hope to receive his report before the close of the current calendar year.

"Not the least important subject which is receiving special attention at the present time is the possibility of reviving the natural indigo trade. As Hon'ble Members are aware, German manufacturers have succeeded in producing, by chemical processes, a paste of uniform composition admirably suited to the needs of dyers all over the world. The problem that presents itself to India is, in the first place, how to improve the cultivation of indigo in such a way as to increase the output of Indican in the natural plant, and, secondly, how to standardise the product, so that it shall be able to compete in the matter of convenience as well as economy with the synthetic article. The question of appointing an expert chemist to study the matter from the point of view of the manufacture of the natural produce is at present under consideration. It is, however, recognised that no permanent advantage can accrue from an attempt to resuscitate this industry unless it is found possible to establish it on a permanent basis after the war is over. It is essential, if this end is to be attained, that planters should make some arrangement to bulk their products and to adopt some form of co-operation both in manufacture and marketing. Government have indicated their preparedness to help planters with the expert advice of the chemist, provided they receive the assurance that the planters on their part will co-operate and assist Government in the matter. Without their help and without having reached an understanding that they will spare no endeavour so to prepare their product as to be able to compete, in convenience and quality, with the synthetic paste, it would be futile for Government to undertake the investigation into the possibility of bringing this about.

"Apart from these special investigations, which have for their object permanent improvements after the war is over, the general work of agricultural research is making steady and very satisfactory progress, and the results promise to be very far-reaching. Hon'ble Members are probably aware—at least those of them who are interested in Agriculture —that research work in Pusa has already resulted in the selection of more than one new variety of wheat which have been found to give a larger and better milling yield than the local varieties. One in particular, known as Pusa No. 12, promises to give results which will be of the greatest possible value in promoting the betterment of the economic condition of agriculturists over a large area in India. We hope in process of time to establish a regular grade for this wheat in the English market, and to secure for the farmer higher prices than are paid for the ordinary Indian wheats. A small provision was included in the Budget for the current year for this purpose, and a similar sum is being repeated in the Budget for 1916-17. Investigation into the varieties of cotton, sugar-cane, and so forth, is also being pushed on at Pusa, Coimbatore, and elsewhere, and I think I may say that, within the limits of an all too small establishment, the work not only at Pusa, but in the provincial agricultural institutions, is now proceeding on well-considered and more hopeful lines. The administration of the results of research, whether conducted in the laboratories at Pusa or in the laboratories of Local Governments, is entrusted of course to the Governments of the provinces interested, and I do not propose to say more on this head.

"At the present moment, it is not only finance which hampers the development of the Provincial Departments of Agriculture, but also the difficulty of

procuring suitable officers. The large scheme of reorganisation which has been sanctioned for the Madras Presidency will have to be brought into operation very gradually and the additional expenditure involved, which amounts to about $2\frac{3}{4}$ lakhs a year, cannot be incurred immediately. Additional posts of Deputy or Assistant Directors, which have been sanctioned for Burma, Assam, the Central Provinces, and the Andamans, have not yet been filled owing to the continuance of the war.

"Before concluding my remarks on the subject of Agriculture, I think I ought to advert to the fact that the Department will shortly be losing the services of Mr. Coventry, who has been connected with it since its inception, and has for 12 years now performed with energy and success the important duties of Director of the Agricultural Research Institute, and for the past four years has combined these duties with the work of Agricultural Adviser to the Government of India. Mr. Coventry's services will not, however, be lost to India, as he is taking up another appointment connected with Agriculture in Central India, and we shall hope to continue to benefit by his valuable experience.

"Of the Departments classed as 'Scientific' and 'Miscellaneous,' I need only refer to the Survey Department, whose work has been restricted by the reversion of a number of Imperial officers to military duty and by the employment of many provincial officers on military work. The curtailment of programmes of field work has been inevitable, but the Department has managed to keep up its scientific investigation, and the results of its observations with the plumb line, which were recently explained by Sir Sidney Burrard in his interesting lecture at Lucknow, promise to make an important addition to our knowledge of the earth's crust. The mapping offices have had to meet large demands for the supply of new maps for military purposes, and I believe that these offices have fully risen to the occasion. Maps have also been published of nearly the whole frontier between Turkey and Persia as a result of the labours of the detachment under Colonel Ryder, which accompanied the Commission to that frontier. Computations are now being made at Dehra Dun of the valuable observations taken by Major Wood when accompanying Cavaliere Filippo de Filippi's expedition to Karakoram, and the Survey Department has recently published a most interesting account of a remarkable achievement in linking up the triangulations of India with those of Russia. It may be doubted whether the labour involved in such achievements is generally appreciated. But in the last named instance, it has been emphasised by the sad loss which the Department sustained in the death of Lieutenant Bell of the Royal Engineers.

"The Meteorological Department has recently arranged for the distribution of information regarding the weather by broadcast wireless messages from various Indian ports. Such information should be of great value to ships in the Bay of Bengal and on the Arabian Sea.

"The important subject of Co-operative Credit Societies has recently been exhaustively examined by a strong committee under the presidency of the Hon'ble Sir Edward Maclagan. As many of the questions—and they were very numerous—raised by that Committee are still under consideration, I do not propose to go into them to-day, but I think it will be agreed that the manner in which Co-operative Credit Societies have withstood the severe shock to credit caused by the outbreak of war the year before last, is admirable evidence of their stability, and justifies the hope that the co-operative movement has, despite some possible failings, now been established upon a thoroughly sound basis.

"I have mentioned the loss which the Agricultural Department is sustaining in the retirement of its head, Mr. Coventry, and I should like here also to express our acknowledgment for his good work to Mr. Mercer, who, for the past 8 years, has presided over the Forest Research Institute and College at Dehra Dun. That Institution, within its own sphere, has, in the same degree as the Institute at Pusa, done, under his efficient guidance, much extremely valuable work.

"I now turn to the operations of the Public Works Department, and will refer first of all to 'Irrigation.' During the year now drawing to a close, productive irrigation works, after meeting all charges for maintenance and repairs, as well as interest on capital, returned a net profit to the State of 272¾ lakhs, or slightly less than the corresponding figure of last year, which was 281 lakhs. For the ensuing year, we anticipate a net revenue of 274½ lakhs, which closely approximates to the actuals anticipated for the current year. Now that the triple canal project of the Punjab has come to completion with the inauguration of the Jhelum Head Works at Mangla, performed by His Excellency last January, an appreciable increase of irrigation revenue will, it is hoped, be realised in the near future.

"In the course of the discussion on the Budget for 1915-16, the Hon'ble Pandit Madan Mohan Malaviya suggested this time last year that the allotments for irrigation might all be shown in one place in future, and Sir Robert Carlyle promised to consider the matter in regard to the ensuing year's Budget. I am glad to say that it has been found feasible to give effect to this suggestion, and that the allotments will be shown together in one place in the Budget which will be presented to Council on the 21st of March, and the figures will be shown in the memorandum explaining the details of the estimate.

"The provision made for capital outlay for major irrigation works during the ensuing year is, under '49—Productive Works,' Rs. 135·75 lakhs and under Protective Works Rs. 62·10 lakhs—Total 197·85 lakhs. This total shows a decrease of 17·25 lakhs as compared with the provision for new major works in the revised estimates for the current year, which stands at 215·10 lakhs, and this reduction is, of course, necessitated by the general policy of curtailing expenditure as far as possible.

"The Hon'ble the Finance Member, in his introductory speech, has already briefly alluded to the present phase of some of the large irrigation projects which are under consideration. I may perhaps be allowed to make a few observations in supplement to his remarks. As Hon'ble Members are aware, the great Sukkur Barrage scheme was submitted to the Secretary of State some three years ago, but was returned for reconsideration by the Government of India, in consequence of the advice tendered to the Secretary of State by a Committee convened by him that there was not sufficient evidence that irrigation in Sind had suffered in the past, or would be likely to suffer in the future in consequence of further withdrawals of water from the Punjab rivers, and, further, that it seemed doubtful whether the project as designed would prove to be a productive work. The scheme has since been reinvestigated by the Irrigation Engineers of the Government of Bombay in consultation with the Inspector-General of Irrigation, and a revised project resulting from all this consideration is now about to be drawn up for approval. The Sukkur Barrage project presents many problems of considerable difficulty, and it is possible that considerable advantage may accrue from the further investigation to which the original project has now been submitted. In any event, in view of present financial circumstances, it is improbable that any money could possibly have been spent upon it, even if the project had met with approval on its first submission.

"Another large scheme to which reference has been made is that for the utilisation of the waters of the Sarda river. The original scheme provided for a division of the available water-supply between the United Provinces and the Punjab. In regard to the Punjab, the design was to augment the supply of the Eastern Jumna Canal by means of a feeder channel from the Ganges river which in turn was to be replenished by the water from the Sarda river. By this arrangement, it was intended that the Western Jumna Canal in the Punjab should be able to draw more largely upon the waters of the Jumna, and thus to extend irrigation to the dry tracts in the Rohtak and Hissar districts lying within its command. So far as the United Provinces were concerned, the project only provided for the irrigation of the western districts and none for Oudh. Considerable difficulties, both of a technical

and administrative character, were inherent in this scheme, and the Government of the United Provinces have recently submitted an alternative which aims at the utilisation of the Sarda water within the confines of the province and the extension of irrigation to Oudh. The original exclusion of the province of Oudh from the benefits of the earlier scheme was due to the belief that the Talukdars of Oudh were strongly opposed to the introduction of irrigation. Not only, however, have circumstances recently altered but the cost of well irrigation has considerably increased, and it is now clear that there is a keen desire on the part of the province of Oudh to participate in the irrigation from the Sarda. This alternative proposal, now before the Government of India, is only a part of the complete scheme, and does not preclude the possibility of extension in accordance with the original design.

"In the matter of the division of the waters of the Cauvery river between the Government of Madras and the Mysore Darbar, both disputants have been given and have exercised the right of making representations, regarding the arbitration award and of replying to each other's observations. The case is now before the Government of India, and it is hoped that final orders will be passed during the current month.

"As regards Civil Works, I have nothing to add to what is stated in the Financial Statement regarding Capital expenditure on the New Capital at Delhi. The total Imperial grant provided for '45—Civil Works,' exclusive of sums allotted for expenditure to be incurred in the Civil Department mostly in the several minor administrations and in the administrations of the North-West Frontier Province and Baluchistan, is 80 lakhs as compared with 100 lakhs provided in the Budget for 1915-16. The purposes to which the grant of 80 lakhs mentioned above will be applied are the following :—

(*a*)	9·74	for the Delhi Province Ordinary, *i.e.*, apart from New Delhi.
(*b*)	1·00	Archæological expenditure.
(*c*)	5·93	Payments in England on account of stores, furlough allowance, etc.
(*d*)	27·33	Original works new, and in progress.
(*e*)	31·86	Repairs, Establishment and Miscellaneous charges.
(*f*)	4·14	Reserve for unforeseen expenditure.
	80·00	

The Hon'ble Sir C. Sankaran Nair introduced the following heads of the Financial Statement for 1916-17—

Revenue.	*Expenditure.*
Education.	Medical (Sanitation).
	Education.

He said:—"Sir, I introduce the following heads of the Financial Statement, that is, Education and Sanitation details of which will be found in the Explanatory Memorandum, paragraph 98, from which the Hon'ble Members will see that the Budget estimate for expenditure in 1916-17 is about 13½ lakhs in excess of the revised estimate for 1915-16, that is the one being 475 lakhs and odd, the other being 488 lakhs and odd. I have no doubt the Hon'ble Members will consider this satisfactory, considering the financial position.

"There is nothing else of any great interest to which I need refer. I will, however, draw the attention of Hon'ble Members to the fact that out of the estimate for 1915-16, ·44 lakhs has lapsed, and that out of the estimate for 1916-17, Government have been able to keep in reserve only a sum of 1·81 lakhs.

"With reference to Sanitation, I have very little to add to paragraphs 108, 109, 110, 111, 114 and 234 of the Finance Secretary's Memorandum which explain the details of the estimates. In regard to the estimates for 1915-16, out of a reserve of 7·70 lakhs, one lakh has been allotted to the United Provinces for the improvement of the pilgrim route from Kedarnath to

Badrinath, two lakhs to the North-West Frontier Province for the benefit of the Peshawar Municipality in aid of their scheme of drainage and water-supply, and ·70 lakhs to Delhi for sanitary improvements. The balance of the reserve, which comes up to four lakhs, has lapsed in view of the need for economy. Out of the five lakhs which were allotted to the Indian Research Fund in 1915-16, we have spent Rs. 2,52,216 for anti-malarial schemes in Delhi and the United Provinces; to the Bombay School of Tropical Medicine, we have allotted a lakh of rupees and we have given Rs. 80,000 to carry out a scheme of experimental research in Lucknow. I might also bring to the notice of Hon'ble Members that the Research Association has conducted various inquiries at its own expense into cholera, water analysis, plague, diabetes and tuberculosis. For the year 1916-17, no fresh grants have been made for Sanitation. We have allotted three lakhs to the Indian Research Fund, two lakhs to the Peshawar Municipality, and the residue of four lakhs will be temporarily resumed in view of the financial situation. It will be made available for expenditure on Sanitation later on, on a return to normal conditions.

"I do not think there is anything else of interest which I have to bring to the notice of the Council."

The Hon'ble Mr. Sharp:—"Sir, in connection with the head 'Education,' I lay on the table the annual narrative of educational progress. It is important to notice that, in the general tables which it contains, an anomaly has been removed whereby, in previous years, the figures for certain Native States were included. This fact has to be remembered in comparing the general tables of 1913-14 with those of 1914-15. If the figures for these States be excluded from the general tables of both those years, then we find that in 1914-15 the number of educational institutions increased by over 4,000, pupils by 200,000 and expenditure by about 120 lakhs. These figures of increase may be taken as probably under-estimates; for it has been impossible to get precise figures for some of the areas which have now been excluded, and I have therefore made an estimate for them which probably errs on the side of moderation. These figures suffice to show that the effect of the large educational grants which were made by the Government of India are by no means cancelled by war conditions, and that progress is steadily maintained. The details of this development and of the various improvements carried out will be found in the narrative."

At this stage the Hon'ble **Sir William Clark** left the Chair, which was taken by **the Hon'ble Sir Reginald Craddock.**

The Hon'ble Sir William Clark introduced the following heads of the Financial Statement for 1916-17:—

Revenue.	*Expenditure.*
Salt.	Salt.
Excise.	Excise.
Posts and Telegraphs.	Customs.
Stationery and Printing.	Posts and Telegraphs.
State Railways.	Stationery and Printing.
Subsidised Companies.	Protective Works, Railways.
	Subsidised Companies.
	Miscellaneous Railway Expenditure.
	Capital outlay on State Railways.

He said:—"Sir, I beg to introduce the heads, Salt, Excise, Customs, Post Office and Telegraphs, Stationery and Printing and Railways. As in previous years, I will ask my Hon'ble friend the President of the Railway Board to deal with Railways, and in discussing the other heads, I will confine my remarks to matters of general interest, detailed explanations of the estimates being already before Hon'ble Members in the memorandum.

"The total revenue of the Post and Telegraph Department for the year 1914-15 was £3,499,800. According to the Revised Estimate the amount for the current year will be £3,627,100 representing an increase of £127,300, and we anticipate that, unless there is a material alteration in the conditions prevailing at present, there will be further increase of £137,500 during the coming year.

"The total expenditure for the year 1914-15 amounted to £3,178,900, and we hope to keep within £3,191,700 for the current year.

"In the matter of capital outlay on the Telegraph service, the Budget Estimate for 1916-17 is £277,900 exclusive of the share of establishment charges, as compared with a Revised Estimate of £1,01,600 for the current year and a sum of £166,000 actually spent during 1914-15. Since the commencement of the war, every effort has been made to keep down capital expenditure, and the anticipated increase is due mainly to the rise in the prices of English stores and the replacement of material supplied to the Army Department for issue to the Expeditionary Forces.

"As regards Salt, Hon'ble Members will be interested to learn that, in the salt areas under the control of the Commissioner of the Salt Revenue in Northern India, widespread and successful efforts have been made to stimulate the export of saltpetre, which is urgently required by Great Britain and her Allies for the manufacture of explosives. The result of these efforts has not only been to afford a substantial degree of assistance to the Allied cause, but has also incidentally given a fresh stimulus to the industry of saltpetre which is carried on by the poor and hard-working class of Nunias.

"In regard to Customs, I can add nothing to what my Hon'ble Colleague the Finance Member has already said regarding our customs revenue, and the various causes which have affected it during the past year. Freights were already high during the first portion of the year, and in consequence of the large demands subsequently made upon the British and Allied mercantile marine for the movement of troops in the Mediterranean theatre of war, they rose in the latter portion of the year to heights altogether unprecedented. That there has not been a greater falling-off in Indian exports is no doubt due to the fact that a large number of these are in such demand outside India, that importing nations are ready to pay the very greatly increased prices which the rise in the freights has caused. Recently, however, there has been a most welcome decline from the high pitch which was latterly reached, although there is no ground for hope of a return during, at any rate, the period of war to anything like the normal freights previously prevailing The demands on the care and vigilance of our customs staff have continued to increase, with the closer watch which is being maintained on goods destined for neutral ports and on dealings with enemy firms in neutral countries. The grip of the British blockade upon the very slender volume of commerce which still finds its way to the enemy, grows ever tighter; the fresh expedients which are constantly being devised on the part of enemy importers, are being met with ever increasing precaution. Last year I paid a well-deserved tribute to the customs staff on whom a very heavy burden was thrown by our war trade policy, and to the mercantile public for their ready acquiescence in these necessary restrictions. I again desire to renew my appreciation of the work of the Customs Department and to express our thanks to the commercial community for the way in which they have seconded our efforts.

"Among the more important activities of the Commerce and Industry Department during the past year, have been certain incursions which it has been necessary for us to make into a sphere which is generally considered somewhat outside the scope of a Government department. Chief among these was the scheme for the Governmental control of the purchase and export of wheat. I need not go into details about the working and results of this scheme, since it was dealt with fully by my Hon'ble Colleague the Finance Member in his Financial Statement. At present, owing to the nature of the past season, shipment by Government is in abeyance, but the prohibition on export is still in force and will continue to be so, and the machinery created

last year remains ready for employment against the time when circumstances may warrant a resumption of our exports.

"There have also been other commercial activities which are important, not only from the assistance which they have given to the Allied cause, but also in their economic aspect in this country. The great jute manufacturing centre of Calcutta has been called upon, under an arrangement made through the Commerce and Industry Department, to supply vast quantities of sandbags and cloth to Great Britain and the Allies for use in military operations. The arrangement entered into with the Calcutta mills has now been in operation for nearly six months, and the smoothness with which it has worked has drawn from His Majesty's Government a warm appreciation of the zeal and patriotism of the Calcutta manufacturers. His Majesty's Government have also invited the Department to express their thanks to the Calcutta shipowners for the handsome reductions which they made in the then high level of freights in favour of jute manufactures shipped for military purposes to the United Kingdom.

"The resources of the Indian manganese and wolfram fields have become of the very greatest importance in the provisions of munitions of war The former industry was fully organised and required little stimulation or assistance from Government, otherwise than in the provision and regulation of railway transport. The wolfram mining industry, however, is carried on in the comparatively undeveloped country of Lower Burma, where it was necessary for Government to give a large measure of direct assistance by the provision of labour, the improvement of communications, the temporary relaxation of the mining rules and the furnishing of the advice and assistance of mining and geological experts, in all of which matters, the Burma Government have taken a vigorous and important share. The result, it is hoped, will be not only to furnish valuable assistance to Great Britain and her Allies in the conduct of the war, but also to stimulate the growth of an important industry and the development of the resources of the province."

The Hon'ble Sir Robert Gillan:—"Sir, in the Railway Department, as in every Department of the Government and every private concern throughout the country, there is one word that recurs on every page and every paragraph of current history, and that word is 'war.' I wish to develop this in three directions—as regards railway finance, as regards congestion, and as regards the manufacture of munitions.

"In the matter of finance, the effects of the war were very plain from what the Hon'ble Sir William Meyer told us the other day. On the capital side in the current year, for instance, against an original grant of 8 million pounds we now propose to spend only £4,900,000; and for next year the provision is no more than £3,000,000. But it will be clear that a very large restriction of expenditure was in any case inevitable, both because we were precluded from going to the Home market for money, and because materials were not available, even if we could have got more money. The second point is very important; indeed, only the other day the Secretary of State informed us that he was very doubtful whether we should be able to get materials for even a three million programme. The Council will be interested, however, to know that in view of this difficulty, we have definitely reserved a certain sum in our Budget to enable us to purchase rolling-stock if available in India, and that no indent goes home without a special examination to satisfy us both that the materials are absolutely necessary, and that no part of the manufacture involved can be carried out in this country. Thus, we hope to give a little assistance to Indian industry, and at any rate we avoid interference with the important work of manufacture of munitions at home. On the Revenue side, the position this year is that we now hope to make £2,370,000 more than the Budget estimate, without exceeding the Budget grant of expenditure. This of course is not a result that would normally have been expected. Normally, if railways earned £2,370,000 in additional traffic, they would spend a proportion of that sum—perhaps 25 per cent or £600,000—more in working expenses. The actual result has been secured by the efforts made

by railways, which the Railway Department wish to acknowledge, in order to secure the utmost possible economy in working. In the Revenue Budget for next year, we have still to aim at the same great object of contributing the maximum net revenue to the Empire. But here some special factors come into play. For instance, the price of materials and stores will be very much higher. Then, of course, on the supposition that the war continues throughout the year, we shall have again to carry a large proportion of military and coal traffic, the cost of working which is high in proportion to the receipts. But the main point is that, under the conditions of railway working, restriction of expenditure becomes more difficult the longer it is continued. Thus, to meet an emergency, we may postpone expenditure on maintenance of ways or repairs to engines, but as engines continue to be laid up and the condition of the permanent-way declines, a point comes at which expenditure is absolutely essential or the capacity of the line is affected. This will explain why the percentage of working expenses to receipts, as estimated for next year, is 53·60 against 52·68 in the revised estimates of the current year; and it is interesting to observe that in the last normal year—1913-14—this percentage was 52·13. But of course in considering these figures the special factors I have mentioned have to be taken into account.

"Next as regards congestion. This too is the result of the war, because it has arisen from the great shortage of tonnage. The coal carried by sea from Bombay to Calcutta alone was well over a million tons a year, and all this has been thrown on to the railways in addition to their ordinary traffic. What has to be said on this subject, I think, is, first, that no railways could possibly be expected to be so equipped and organised as to carry, without some dislocation and delay, new traffic of this description, that the Railway Department and Railway administrations have co-operated to improve, where possible, and everywhere to make the fullest possible use of the facilities by all existing routes, that we have not been unsuccessful so far, we have at any rate carried on and hope to continue to do so. But about the prospects of the next busy season I do not know what advice our commercial friends would give us. Is the pressure then going to be more severe than it has been recently? Probably the factors are so indeterminate as to make it very difficult to give an answer to this question

"Then I come to the manufacture of munitions. This is a new thing for railways, and some people were very doubtful whether we could do it. Well we have done it. And it is not only a railway business. It is a business in which a number of private concerns have co-operated very energetically and successfully. I suppose it would scarcely be proper for me to give out the exact number of shells we are turning out every week, but it is a considerable number and it is increasing from week to week. And it is surely a matter for great congratulation to every one of us that these products of Indian hands, made out of Indian materials—because we rely on the enterprise of Messrs. Tata, for our raw materials—are being employed against the common enemy. They are a weighty and a striking proof of the devotion of India to the cause of the Empire.

"Naturally, Sir, the railways of India have had much to do with India's share in the war. They have had, for instance, heavy work in connection with the movements of troops, and they have been very proud to receive the commendations of His Excellency the Commander-in-Chief on the way in which this work has been carried out. They have given a number of their officers for active service. They have not only contributed something in the way of munitions themselves, but they have done what they can to avoid interference with the manufacture of munitions at home.

"I have been asked, is this policy, involving as it does a restriction of expenditure, a sound policy from the railway point of view? But it seems to us that in these days railways cannot afford to have a separate policy of their own. The improvement of their property is a matter of the highest importance, but the first thing to provide for is its security, and the primary object of

railways, as of every other interest in the Empire, must be the successful prosecution of the war."

At this stage, the **Hon'ble Sir Reginald Craddock** left the chair, which was taken by the **Hon'ble Sir William Clark.**

The Hon'ble Sir Reginald Craddock introduced the following heads of the Financial Statement for 1916-17 :—

Revenue.	*Expenditure.*
Registration.	Registration.
Jails.	General Administration.
Police.	Courts of Law.
Medical.	Jails.
	Police.
	Medical.

He said :—"Sir, the departments with which the Home Department is concerned, are departments which are extremely useful and necessary to the State, but are generally accepted, as they are, without much discussion, and I propose to make only a very few remarks on this occasion. Under 'General Administration' I should just like to notice that, in spite of the financial difficulties that prevail, the scheme for the revision of ministerial establishments and improvement of their pay in district and other offices in the United Provinces, involving an actual cost of Rs. 5,73,000 a year, was given effect to from April 1st, 1915. It will be very satisfactory to Council, who have by their Questions and Resolutions shown their interest in the pay of the humbler ministerial servants of Government, that this long desired improvement of the prospects of the ministerial employés of the United Provinces was not postponed in spite of the financial difficulties prevailing.

"Under Police, as I have in previous years remarked, a steady rise in the expenditure has continued and is bound to continue. I do not think that any member of this Council will dispute the expediency of ensuring that the pay of the subordinate police constitutes a living wage. It has constantly been a complaint in the press and among the public generally that the humbler policemen, constables and head-constables, are not given enough to live upon, and you cannot expect that they will always keep their hands clean and do their duty as they ought to if their pay is inadequate. Several schemes have been sent up by the Provinces; some have been sanctioned, and some of them put into force, or will very soon be put into force, for improving the pay of constables and bringing them more into accordance with the increased cost of living. The recommendations of the Police Commission, it is true, brought about certain progress in the pay of these humble servants, but by the time that the recommendations had come into force, the cost of living had already risen to such an extent, that the recommendations themselves did not go as far as had been anticipated. Consequently, in the present and subsequent years, we may expect a small increase, at all events, under this head. I have in previous years taken this opportunity of paying a tribute to the great value that the police services are to this country, and of deprecating any exaggeration of their defects which people are sometimes prone to make, forgetting that the few cases where they fail are brought much more prominently before the public than the vastly more numerous cases in which they render the most faithful and honourable service. During this year the police have been called upon, more especially in the Punjab and in Bengal, to cope with anarchy and increase of crime, and I would like to say on behalf of the Government of India how greatly the Government of India appreciate the way in which the police have responded to the extra call, in those Provinces especially, and generally all over India.

"Under 'Medical' a great part of the expenditure falls under the head 'Sanitation.' Perhaps I may be able to persuade my Hon'ble Colleague, the Finance Member, to break up the figures so that I may have some entirely my own to speak about. At present this has not been done, and under

this head I only mention that, as in other branches of the public service, important schemes have had to be kept in abeyance, and anticipated progress has not been found possible. One of these schemes is the large Central Lunatic Asylum at Ranchi, the expenditure on which has been curtailed; and in the case of the School of Tropical Medicine in Calcutta, financial stringency has made it necessary to delay the progress of the scheme that we had hoped might have been made by this time.

"Under 'Jails' I have only to renew the expression of regret I made last year that the promised Jail Commission remains in abeyance; but at all events we may hope that the time will not be long before that inquiry will take place, and that on a thorough examination of the jail system many anticipated improvements may be brought into realisation."

The Hon'ble Sir William Meyer introduced the following heads of the Financial Statement for 1916-17:—

Revenue.	*Expenditure.*
Opium.	Refunds.
Interest.	Opium.
Mint.	Stamps.
Receipts in aid of superannuation.	Income-tax.
Exchange.	Interest on obligations other than the Public Debt.
Miscellaneous.	Mint.
	Civil Furlough and Absentee allowances.
	Superannuation Allowances and Pensions.
	Exchange.
	Miscellaneous.
	Reduction or Avoidance of debt.

He said:—"Sir, I need not add anything to what has been said on these matters in my opening speech introducing the Financial Statement and in the Secretary's Explanatory Memorandum."

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1916-17.

I rise to present the Budget of the Government of India for 1916-17. The preliminary estimates which I laid before the Council on the 1st March have been revised in the light of our latest information. The Financial Secretary's Explanatory Memorandum has also been checked and brought up to date.

2. The final figures of the Revised Estimate for 1915-16 and of the Budget Estimate for 1916-17 are given in the statements which I have to-day laid before the Council. The broad results of the revenue account are brought out in the table below, in which I have also shown, in brackets, for convenience of comparison, the figures now superseded, which were given in the corresponding table appearing in paragraph 61 of my speech introducing the Financial Statement.

[In millions of pounds.]

	Budget, 1915-16.			Revised, 1915-16.			Budget, 1916-17.		
	Imperial.	Provincial.	Total.	**Imperial.**	Provincial.	Total.	**Imperial.**	Provincial.	Total.
Revenue . .	**49·650**	30·750	80·400	**52·594** (**51·982**)	30·732 (30·638)	83·326 (82·620)	**55·925** (**55·651**)	30·603 (30·548)	86·528 (86·199)
Expenditure . .	**52·607**	31·828	84·435	**54·388** (**53·968**)	31·297 (31·296)	85·685 (85·264)	**55·099** (**54·599**)	30·956 (30·915)	86·055 (85·512)
Surplus (+) or deficit (—).	**—2·957**	+1·078	—4·035	**—1·794** (**—1·986**)	—·565 (—·658)	—2·359 (—2·644)	**+·826** (**+1·052**)	—·353 (—·365)	+·473 (+·687)

3. The effect of our corrections in the Revised Estimate for the current year is to reduce the Imperial deficit previously announced by £192,000 and the Provincial deficit by £93,000. On the Imperial side, there are three alterations of some importance. The Railway revenue has shown a still further improvement in February, and we have raised our estimate of gross receipts by £400,000. On the other hand, we have had to allow for an increase of £175,000 in Opium expenditure, owing to the circumstance that our payments for the Malwa opium which we purchase in the spring are being effected for the most part just at the close of the financial year instead of at the opening of the following year. This is due to our beginning our purchases a little earlier than in previous years, and it seems likely that the same thing will happen next year, so that the advancement of payments on this occasion will not relieve us in respect of the corresponding expenditure in 1916-17. The third material increase is one of £200,000 under Military Services, which is due to the possibility of our having to raise our contribution adjustments in favour of the Home Government for reasons which I will explain presently. These larger corrections almost counterbalance one another: and the comparatively small net change in both the Imperial and Provincial deficits is attributable to minor improvements under Customs, Land Revenue and other heads.

4. As regards the Budget of next year, the effect of the changes made is to reduce the Imperial surplus by £226,000, and the Provincial deficit by £12,000. There is no important change on the Provincial side, and I need not refer to that further. On the Imperial side, we have allowed, as in the Revised Estimate, for an improvement of £400,000 on our previous estimate of gross Railway receipts, but in this instance we have to make a proportionate increase under working expenses also, so that the improvement in net receipts is £233,000 only. The only other important change occurs under the Military estimates, which have been raised by £500,000, this being due partly to provision for further urgent military requirements which have matured since the Financial Statement was presented; and partly to allowance being made for the possibility of a higher total contribution to the Home Government.

The extra provision of £300,000 included on the former account will enable us to undertake a further development of the mechanical transport service, to increase the provision of motor ambulances, and to establish in India a factory for the manufacture of acetone—an industrial development of considerable interest and importance.

5. As regards the contribution, the additional provision proposed is £200,000 in the Revised and £200,000 in the Budget. As I pointed out in paragraph 27 of my speech introducing the Financial Statement, and further emphasised in replying to a recent question in Council, the adjustment of charges between the Home Government and ourselves in respect of the many units of our expeditionary forces is a very complicated matter, and the questions which arise are not yet completely settled. Since the Financial Statement was presented, the point has been prominently raised whether, in calculating the "normal cost" of a unit, allowance should be made for the fact that in ordinary peace-time conditions a certain number of British officers are absent on leave and draw furlough allowances instead of their full sanctioned pay and allowances; or whether India's contribution should not be based on the assumption that, in present circumstances, even if the units in question had remained here, prudence would have required the recall of officers from leave, as in the case of certain Civil services. As I explained in this Council the other day, all such questions must be finally settled with reference to the terms and spirit of the Resolutions of the Houses of Parliament. Meanwhile we have thought it prudent, without prejudice to the eventual decision, to include provision in our Budget and Revised Estimates, in case it should be decided that India should fairly pay the higher amount.

6. These very recent instances of additional requirements and of the points of difficulty which arise in calculating our share of the expenditure of the expeditionary forces, emphasise the necessity of maintaining a reserve for unforeseen Military expenditure. We have therefore retained the reserve at its original amount, namely, £½ million, while making specific provision for the requirements and contingencies mentioned. The gross Military budget for 1916-17 will thus stand at £23·7 million and the net budget at £22½ million, instead of £22 million provided in the Financial Statement.

7. Turning to Ways and Means, we now expect the total cash balance in England and India at the end of the current year, exclusive of the amount held in the Home Treasury on account of the Gold Standard Reserve, to be about £18·1 million or £160,000 higher than the figure taken in the Financial Statement. This is due to the reduction already mentioned in the Imperial and Provincial deficits, and to a further improvement in the position in regard to withdrawals of post office savings bank deposits, which we are now able to take at £133,000 less than was previously estimated. There has also been a small further lapse under railway capital expenditure.

Next year however there is a worseness of £298,000, principally caused by the reduction of the Imperial surplus which I have already explained. On the whole, therefore, combining the corrections of both years, we expect the closing balance on the 31st March 1917, exclusive again of the holding of the Gold Standard Reserve, to be about £17·6 million or some £160,000 better than we anticipated in the Financial Statement.

8. Since I presented the Financial Statement, the Secretary of State's sales of councils have continued to be very large in view of the requirements of trade, a matter which I shall deal with more fully, presently, in connection with a Bill that I have to introduce, and are now estimated for the whole year at £20·1 million. Of these drawings our Treasury balances will meet £4·1 million, as compared with £3·7 million previously estimated. Our estimates of recoverable military expenditure in this and the following year have also been raised by £200,000 and £500,000, respectively.

9. These changes *pro tanto* diminish the extent to which it will be necessary for the Secretary of State to draw on us next year, and accordingly, we now estimate the amount to be met from Treasury balances in 1916-17 at £3·9 million or £1,200,000 less than the figure taken in the Financial Statement. But, as I said in my speech on that occasion (paragraph 104), this must for the present be regarded as a purely provisional announcement.

W. S. MEYER.

The 21st March 1916.

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1916.

ACCOUNTS	1914-15
REVISED ESTIMATES	1915-16
BUDGET ESTIMATES	1916-17

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I.—General Statement of the Revenue and Expenditure charged to

	For details, *vide* Statement.	Accounts, 1914-1915.	Budget Estimate, 1915-1916.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	21,221,539	22,149,600	21,837,000	21,932,100
Opium	„	1,572,218	1,798,000	1,887,000	2,286,900
Salt	„	3,910,790	3,335,400	3,490,500	3,987,600
Stamps	„	5,082,043	5,107,100	5,414,500	5,483,800
Excise	„	8,856,881	8,790,300	8,546,200	8,551,300
Customs	„	6,347,201	5,943,000	5,825,400	7,698,000
Other Heads	„	5,151,321	5,151,000	5,218,300	6,120,800
TOTAL PRINCIPAL HEADS	...	52,141,993	52,274,400	52,218,900	56,060,500
Interest	A	1,023,307	1,057,100	1,096,000	1,175,300
Posts and Telegraphs	„	3,596,973	3,579,200	3,764,800	3,876,900
Mint	„	69,498	71,300	74,000	72,900
Receipts by Civil Departments	„	1,505,120	1,534,000	1,546,300	1,549,900
Miscellaneous	„	677,750	583,200	655,100	565,100
Railways: Net Receipts	„	15,799,149	15,029,300	17,739,300	16,955,000
Irrigation	„	4,680,969	4,795,300	4,769,800	4,837,400
Other Public Works	„	288,219	256,100	288,500	269,700
Military Receipts	„	1,374,688	1,220,300	1,173,100	1,165,900
TOTAL REVENUE	...	81,157,666	80,400,200	83,325,800	86,528,600
DEFICIT	...	1,785,270	2,957,100	1,794,200	...
TOTAL	...	82,942,936	83,357,300	85,120,000	86,528,600

DELHI,
FINANCE DEPARTMENT,
March 21, 1916.

R. A. GAMBLE,
Comptroller-General.

Revenue, of the Government of India, in India and in England.

	For details, *vide* Statement.	Accounts, 1914-1915.	Budget Estimate, 1915-1916.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	8,939,330	9,539,300	9,557,800	9,450,600
Interest	„	1,191,257	1,476,100	1,135,400	989,700
Posts and Telegraphs	„	3,257,263	3,294,400	3,221,000	3,503,500
Mint	„	141,682	102,000	86,000	90,300
Salaries and Expenses of Civil Departments	„	18,909,977	19,207,800	19,120,200	19,340,000
Miscellaneous Civil Charges	„	5,311,384	5,120,400	5,131,200	5,283,300
Famine Relief and Insurance	„	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	„	13,641,115	13,339,500	13,990,800	14,217,100
Irrigation	„	3,754,268	3,650,800	3,769,300	3,770,900
Other Public Works	„	7,177,209	5,815,100	5,457,500	4,744,200
Military Services	„	21,809,603	21,389,500	23,215,800	23,665,900
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	...	85,133,088	84,434,900	85,685,000	86,055,500
Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.	End of B	...	...	53,500	13,800
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.	„	*2,190,152*	*1,077,600*	*618,500*	*366,400*
TOTAL EXPENDITURE CHARGED TO REVENUE	...	82,942,936	83,357,300	85,120,000	85,702,900
SURPLUS	...	...	...	...	825,700
TOTAL	...	82,942,936	83,357,300	85,120,000	86,528,600

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, *vide* Statement.	Receipts. Accounts, 1914-1915.	Budget Estimate, 1915-1916.	Revised Estimate 1915-1916.	Budget Estimate, 1916-1917.
		£	£	£	£
Surplus	C	...	...	...	825,700
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	"	2,368,577	6,533,300	3,499,300	3,000
Capital contributed by Native States towards construction of State Railways	"	66,666	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net)	"	1,967,490	320,600	494,100	671,900
TOTAL CAPITAL ACCOUNT RECEIPTS		4,402,733	6,920,600	4,060,100	741,600
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	2,727,294	2,008,700	2,386,400	3,822,100
Temporary Debt (net incurred)	"	14,333,333	...	...	...
Unfunded Debt (net incurred)	"	...	...	852,500	254,700
Deposits and Advances (net)	"	...	...	3,970,000	1,037,700
Loans and Advances by Imperial Government (net Repayments)	"	4,553	...	159,700	...
Loans and Advances by Provincial Governments (net Repayments)	"	...	405,000	155,900	431,300
Loans to Local Boards for Railway Construction	"	7,411	7,700	7,700	8,000
Remittances (net)	"	...	705,700	...	59,100
Secretary of State's Bills drawn	"	7,147,940	7,100,000	4,061,000	3,885,000
Sterling Bills on London	"	...	...	4,668,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES		24,220,531	10,227,100	20,261,200	9,497,900
TOTAL RECEIPTS	...	28,623,264	17,147,700	24,321,300	11,065,200
Opening Balance—India	...	15,608,253	13,355,353	14,779,334	11,451,934
England	...	(a) 8,157,732	(a) 7,620,132	(a) 7,913,236	(a) 14,475,536
TOTAL	...	52,389,249	38,623,185	47,013,870	36,992,670

(a) Include balances of the Gold Standard Reserve as shown

R. A. GAMBLE,
Comptroller General.

DELHI,
FINANCE DEPARTMENT,
March 21, 1916

Government of India, in India and in England.

	For details, *vide* Statement.	Disbursements.			
		Accounts, 1914-1915.	Budget Estimate, 1915-1916.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.
		£	£	£	£
Deficit	C	1,785,270	2,957,100	1,794,200	...
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	"	1,123,180	1,100,000	892,000	900,000
Outlay on State Railways	"	10,509,858	7,637,700	4,793,200	2,801,900
Initial outlay on new Capital at Delhi	"	360,361	266,700	333,300	266,700
Outlay of Railway Companies (net)	"	1,342,253	683,700	870,700	951,100
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	13,335,652	9,688,100	6,889,200	4,919,700
Debt, Deposits and Advances—					
Temporary Debt (net discharged)	C	...	...	3,000,000	1,500,000
Unfunded Debt (net Discharged)	"	5,002,280	219,900	...	...
Deposits and Advances (net)	"	2,095,408	1,894,100	...	...
Loans and Advances by Imperial Government (net Advances)	"	...	153,700	...	44,700
Loans and Advances by Provincial Governments (net Advances)	"	343,125	...	...	...
Remittances (net)	"	536,911	...	164,700	...
Secretary of State's Bills paid	"	6,598,033	7,260,000	4,570,300	3,885,000
Sterling Bills on London	"	...	...	4,668,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	14,575,757	9,527,700	12,403,000	5,429,700
TOTAL DISBURSEMENTS	...	29,696,679	22,172,900	21,086,400	10,349,400
Closing Balance—India	...	14,779,334	12,433,253	11,451,934	12,260,234
England	...	(a) 7,913,236	(a) 4,017,032	(a) 14,475,536	(a) 14,383,036
TOTAL	...	52,389,249	38,623,185	47,013,870	36,992,670

in the notes on pages 182 and 183.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1914-1915.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	21,221,539	...	21,221,539	10,336,078	10,885,461	21,837,000	...
II.—Opium	1,572,218	...	1,572,218	1,572,218	...	1,887,000	...
III.—Salt	3,910,790	...	3,910,790	3,910,790	...	3,490,500	...
IV.—Stamps	5,082,043	...	5,082,043	2,589,799	2,492,244	5,414,500	...
V.—Excise	8,856,881	...	8,856,881	2,501,481	6,355,400	8,546,200	...
VI.—Provincial Rates	38,814	...	38,814	259	38,555	39,300	...
VII.—Customs	6,347,201	...	6,347,201	6,347,201	...	5,825,400	...
VIII.—Income Tax	2,036,733	...	2,036,733	1,115,291	921,442	2,048,800	...
IX.—Forest	1,980,652	...	1,980,652	56,492	1,924,160	2,015,600	...
X.—Registration	485,295	...	485,295	6,115	479,180	509,900	...
XI.—Tributes from Native States	609,827	...	609,827	609,827	...	605,200	...
Total	52,141,993	...	52,141,993	29,045,551	23,096,442	52,218,900	...
XII.—Interest	841,178	182,129	1,023,307	700,802	322,505	891,000	205,000
XIII.—Posts and Telegraphs	3,557,103	39,870	3,596,973	3,596,973	...	3,745,700	19,100
XV.—Mint	69,498	...	69,498	69,498	...	74,000	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	404,568	...	404,568	33,563	371,005	401,000	...
XVI.—Law and Justice { Jails	296,534	...	296,534	29,410	267,124	299,500	...
XVII.—Police	141,281	...	141,281	5,220	136,061	140,200	...
XVIII.—Ports and Pilotage	140,339	...	140,339	...	140,339	129,800	...
XIX.—Education	266,250	...	266,250	6,626	259,624	293,500	...
XX.—Medical	84,125	633	84,758	1,386	83,372	86,900	600
XXIA.—Agriculture	63,217	...	63,217	8,984	54,233	75,000	...
XXIB.—Scientific and Miscellaneous Departments	107,549	624	108,173	11,740	96,433	119,100	700
Total	1,503,863	1,257	1,505,120	96,929	1,408,191	1,545,000	1,300
Miscellaneous—							
XXII.—Receipts in aid of Superannuation, etc.	164,164	49,071	213,235	144,876	68,359	169,900	44,000
XXIII.—Stationery and Printing	97,594	...	97,594	45,838	51,756	91,200	...
XXIV.—Exchange	1,729	...	1,729	1,729	...	86,700	...
XXV.—Miscellaneous	350,378	14,814	365,192	194,925	170,267	248,000	15,300
Total	613,865	63,885	677,750	387,368	290,382	595,800	59,300
Railways—							
XXVI.—State Railways (Gross Receipts)	36,104,743	424	36,105,167	36,096,664	8,503	38,099,300	2,900
Deduct :—Working Expenses	*19,685,811*	...	*19,685,811*	*19,677,337*	*8,474*	*19,860,200*	...
Surplus profits paid to Companies, etc.	*690,898*	...	*690,898*	*690,898*	...	*595,100*	...
Net Receipts	15,728,034	424	15,728,458	15,728,429	29	17,644,000	2,900
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	23,396	47,295	70,691	70,691	...	20,900	71,500
Total	15,751,430	47,719	15,799,149	15,799,120	29	17,664,900	74,400
Irrigation—							
XXIX.—Major Works: Direct Receipts	2,758,490	...	2,758,490	1,123,205	1,635,285	2,768,300	...
Portion of Land Revenue due to Irrigation	1,667,864	...	1,667,864	903,733	764,131	1,734,000	...
XXX.—Minor Works and Navigation	254,615	...	254,615	100,120	154,495	267,500	...
Total	4,680,969	...	4,680,969	2,127,058	2,553,911	4,769,800	...
Other Public Works—							
XXXI.—Civil Works	288,219	...	288,219	52,640	235,579	288,500	...
Military Receipts—							
XXXII.—Army: Effective	661,659	310,187	971,846	971,846	...	464,700	309,300
Non-Effective	86,650	37,695	124,345	124,345	...	82,400	37,000
	748,309	347,882	1,096,191	1,096,191	...	547,100	346,300
XXXIII.—Marine	198,115	...	198,115	198,115	...	193,700	...
XXXIV.—Military Works	80,382	...	80,382	80,382	...	86,000	...
Total	1,026,806	347,882	1,374,688	1,374,688	...	826,800	346,300
Transfers between Imperial and Provincial Revenues	...	...	...	—2,481,649	+ 2,481,649	...	...
TOTAL REVENUE	80,474,924	682,742	81,157,666	50,768,978	30,388,688	82,620,400	705,400

India, in India and in England.

ESTIMATE, 1915-1916.			Increase + Decrease — as compared with Budget Estimate, 1915-1916.	BUDGET ESTIMATE, 1916-1917.					Increase + Decrease — of Budget, 1916-1917, as compared with Budget Estimate, 1915-1916.	Increase + Decrease — of Budget, 1916-1917, as compared with Revised Estimate, 1915-1916.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
21,837,000	10,657,800	11,179,200	—312,600	21,932,100	...	**21,932,100**	10,744,100	11,188,000	—217,500	+ 95,100
1,887,000	1,887,000	...	+89,000	2,286,900	...	**2,286,900**	2,286,900	...	+488,900	+399,900
3,490,500	3,490,500	...	+155,100	3,987,600	...	**3,987,600**	3,987,600	...	+652,200	+497,100
5,414,500	2,758,200	2,656,300	+307,400	5,483,800	...	**5,483,800**	2,793,100	2,690,700	+376,700	+69,300
3,546,200	2,386,000	6,160,200	—244,100	8,551,300	...	**8,551,300**	2,386,100	6,165,200	—239,000	+5,100
39,300	300	39,000	+8,700	28,400	...	**28,400**	200	28,200	—2,200	—10,900
5,825,400	5,825,400	...	—117,600	7,698,000	...	**7,698,000**	7,698,000	...	+1,755,000	+1,872,600
2,048,300	1,116,000	932,300	+170,000	2,912,800	...	**2,912,800**	1,588,100	1,324,700	+1,034,500	+864,500
2,015,600	66,400	1,949,200	—100,200	2,048,500	...	**2,048,500**	66,600	1,981,900	—67,300	+32,900
509,900	6,000	503,900	—3,100	517,400	...	**517,400**	6,100	511,300	+4,400	+7,500
605,200	605,200	...	—8,100	613,700	...	**613,700**	613,700	...	+400	+8,500
52,218,000	28,798,800	23,420,100	—55,500	56,060,500	...	**56,060,500**	32,170,500	23,890,000	+3,786,100	+3,841,600
1,096,000	728,100	367,900	+38,900	849,100	326,200	**1,175,300**	840,700	334,600	+118,200	+79,300
3,764,800	3,764,800	...	+185,600	3,855,600	21,300	**3,876,900**	3,876,900	...	+297,700	+112,100
74,000	74,000	...	+2,700	72,900	...	**72,900**	72,900	...	+1,600	—1,100
401,000	34,300	366,700	—7,900	398,000	...	**398,000**	23,300	374,700	—10,900	—3,000
299,500	31,100	268,400	—4,700	291,800	...	**291,800**	30,900	260,900	—12,400	—7,700
140,200	5,400	134,800	+100	147,300	...	**147,300**	6,000	141,300	+7,200	+7,100
129,800	...	129,800	—21,100	133,000	...	**133,000**	...	133,000	—17,900	+3,200
293,500	7,300	286,200	+18,600	282,300	...	**282,300**	6,700	275,600	+7,400	—11,200
87,500	1,600	85,900	+600	88,600	500	**89,100**	1,500	87,600	+2,200	+1,600
75,000	10,600	64,400	+3,700	82,200	...	**82,200**	11,000	71,200	+10,900	+7,200
119,800	9,600	110,200	+23,000	125,400	800	**126,200**	9,700	116,500	+29,400	+6,400
1,546,300	99,900	1,446,400	+12,300	1,548,600	1,300	**1,549,900**	89,100	1,460,800	+15,900	+3,600
213,900	140,900	73,000	+24,100	170,500	42,800	**213,300**	140,500	72,800	+23,500	—600
91,200	42,400	48,800	—4,800	92,200	...	**92,200**	40,900	51,300	—3,800	+1,000
86,700	86,700	...	+86,700	...	...	**...**	...	...	...	—86,700
263,300	98,500	164,800	—34,100	242,400	17,200	**259,600**	98,800	160,800	—37,800	—3,700
655,100	368,500	286,600	+71,900	505,100	60,000	**565,100**	280,200	284,900	—18,100	—90,000
38,102,200	38,092,900	9,300	+2,760,500	37,566,600	11,300	**37,577,900**	37,568,600	9,300	+2,236,200	—524,300
19,860,200	*19,853,200*	*7,000*	+52,900	*20,088,000*	...	***20,088,000***	*20,080,800*	*7,200*	—174,900	—227,800
595,100	*595,100*	...	—106,900	*620,000*	...	***620,000***	*620,000*	...	—131,800	—24,900
17,646,900	17,644,600	2,300	+2,706,500	16,858,600	11,300	**16,869,900**	16,867,800	2,100	+1,929,500	—777,000
92,400	92,400	...	+3,500	24,100	61,000	**85,100**	85,100	...	—3,800	—7,300
17,739,300	17,737,000	2,300	+2,710,000	16,882,700	72,300	**16,955,000**	16,952,900	2,100	+1,925,700	—784,300
2,768,300	1,157,100	1,611,200	—900	2,864,000	...	**2,864,000**	1,206,700	1,657,300	+94,800	+95,700
1,734,000	937,800	796,200	—8,960	1,693,600	...	**1,693,600**	918,400	775,200	—49,300	—40,400
267,500	104,500	163,000	—15,700	279,800	...	**279,800**	107,800	172,000	—3,400	+12,300
4,769,800	2,199,400	2,570,400	—25,500	4,837,400	...	**4,837,400**	2,232,900	2,604,500	+42,100	+67,600
288,500	48,800	239,700	+32,400	269,700	...	**269,700**	48,800	220,900	+13,600	—18,800
774,000	774,000	...	—190,600	505,600	277,700	**783,300**	783,300	...	—181,300	+9,300
119,400	119,400	...	+8,900	83,100	37,000	**120,100**	120,100	...	+9,600	+700
893,400	893,400	...	—181,700	588,700	314,700	**903,400**	903,400	...	—171,700	+10,000
193,700	193,700	...	+125,500	182,500	...	**182,500**	182,500	...	+114,300	—11,200
86,000	86,000	...	+9,000	80,000	...	**80,000**	80,000	...	+3,000	—6,000
1,173,100	1,173,100	...	—47,200	851,200	314,700	**1,165,900**	1,165,900	...	—54,400	—7,200
...	—2,398,500	+2,398,500	...	...	...	...	—1,805,800	+1,805,800	...	...
83,32 ,800	52,593,900	30,731,900	+2,925,600	85,732,800	795,800	**86,528,600**	55,925,000	30,603,600	+6,128,400	+3,202,800

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1914-1915.					REVISED
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	408,173	...	**408,173**	282,264	125,909	336,500	...
2.—Assignments and Compensations	1,250,292	...	**1,250,292**	558,401	691,891	1,288,500	...
Charges in respect of Collection, *viz.* :—							
3.—Land Revenue	3,912,377	1,641	**3,914,018**	321,285	3,592,733	3,976,300	1,400
4.—Opium (includin cost of Production)	653,819	270	**654,089**	654,089	...	1,105,000	700
5.—Salt (including co of Production)	358,825	1,692	**360,517**	360,517	...	381,900	2,500
6.—Stamps	63,730	56,133	**119,863**	46,723	73,140	61,900	94,000
7.—Excise	459,346	339	**459,685**	144,053	315,632	478,100	600
9.—Customs	263,655	624	**264,279**	264,279	...	264,300	300
10.—Income Tax	32,626	...	**32,626**	16,435	16,191	34,700	...
11.—Forest	1,213,763	4,045	**1,217,808**	76,054	1,141,754	1,268,000	3,100
12.—Registration	257,980	...	**257,980**	1,900	256,080	260,000	...
Total	8,874,586	64,744	**8,939,330**	2,726,000	6,213,330	9,455,200	102,600
Interest—							
13.—Interest on Debt	3,693,680	6,077,903	**9,771,583**	8,828,349	943,234	3,826,700	6,182,200
Deduct—Amounts chargeable to Railways†	*4,205,914*	*3,706,300*	***7,912,214***	*7,912,214*	...	*4,344,900*	*3,731,800*
„ Amounts chargeable to Irrigation	*1,284,150*	*125,379*	***1,409,529***	*705,916*	*703,613*	*1,337,500*	*126,800*
Remainder chargeable on Ordinary Debt	−1,796,384	2,246,224	**449,840**	210,219	239,621	−1,855,700	2,323,600
14.—Interest on other obligations	741,417	...	**741,417**	741,417	...	667,500	...
Total	−1,054 967	2,246,224	**1,191,257**	951,636	239,621	−1,188,200	2,323,600
15.—Posts and Telegraphs	3,048,115	209,148	**3,257,263**	3,257,263	...	3,053,300	167,700
17.—Mint	132,278	9,404	**141,682**	141,682	...	77,800	8,200
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,640,248	407,990	**2,048,238**	1,139,358	908,880	1,655,500	336,100
19.—Law and Justice { Courts	3,291,445	809	**3,292,254**	86,287	3,205,967	3,377,700	1,200
19.—Law and Justice { Jails	1,018,093	450	**1,018,543**	139,873	878,670	1,052,500	...
20.—Police	5,235,803	1,205	**5,237,008**	266,009	4,970,999	5,405,000	700
21.—Ports and Pilotage	208,655	1	**208,656**	1	208,655	217,900	...
22.—Education	3,298,494	10,320	**3,308,814**	126,559	3,182,255	3,166,700	10,000
23.—Ecclesiastical	126,806	413	**127,219**	127,219	...	131,000	200
24.—Medical	1,507,895	6,340	**1,514,235**	152,265	1,361,970	1,511,800	3,300
25.—Political	1,099,360	23,975	**1,123,335**	913,654	209,681	1,165,800	10,800
26A.—Agriculture	563,554	2,631	**566,185**	63,248	502,937	599,700	2,000
26B.—Scientific and Miscellaneous Departments	430,675	34,815	**465,490**	326,676	138,814	439 500	32,200
Total	18,421,028	488,949	**18,909,977**	3,341,149	15,568,828	18,723,100	397,100
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	198,071	10,550	**208,621**	208,621	...	204,600	10,600
28.—Civil Furlough and Absentee Allowances	601	359,838	**360,439**	360,439	...	1,100	228,000
29.—Superannuation Allowances and Pensions	1,414,079	2,065,655	**3,479,734**	2,181,704	1,298,030	1,430,800	2,053,000
30.—Stationery and Printing	618,859	113,407	**732,266**	206,394	525,872	646,700	123,000
32.—Miscellaneous	402,210	128,114	**530,324**	306,363	223,961	386,700	46,700
Total	2,633,820	2,677,564	**5,311,384**	3,263,521	2,047,863	2,669,900	2,461,300
Famine Relief and Insurance—							
33.—Famine Relief	279,885	...	**279,885**	176,213	103,672	40,000	...
34.—Construction of Protective Railways	−1,311	...	**−1,311**	−1,311	...	−400	...
35.—Construction of Protective Irrigation Works	483,075	18,236	**501,311**	501,311	...	493,900	6,500
36.—Reduction or Avoidance of Debt	220,115	...	**220,115**	25,210	194,905	460,000	...
Total	981,764	18,236	**1,000,000**	701,423	298,577	993,500	6,500
Carried over	33,036,624	5,714,269	**38,750,893**	14,382,674	24,368,219	33,784,600	5,467,000

	ACCOUNTS, 1914-1915.			REVISED ESTIMATE, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.
†Included under the following heads :—	£	£	£	£	£	£
State Railways—Interest on Debt	4,189,391	3,625,050	**7,814,441**	4,327,400	3,650,600	**7,978,000**
Ditto —Interest chargeable against Companies on Advances	16,523	81,250	**97,773**	17,500	81,200	**98,700**
Total	4,205,914	3,706,300	**7,912,214**	4,344,900	3,731,800	**8,076,700**

Revenues of India, in India and in England.

ESTIMATE, 1915-1916.			Increase + Decrease — as compared with Budget Estimate, 1915-1916.	BUDGET ESTIMATE, 1916-1917.					Increase + Decrease — of Budget, 1916-1917, as compared with Budget Estimate, 1915-1916.	Increase + Decrease — of Budget, 1916-1917, as compared with Revised Estimate, 1915-1916.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
336,500	229,100	107,400	+20,000	335,100	...	**335,100**	234,000	101,100	+18,600	—1,400
1,288,500	571,200	717,300	+2 300	1,280,600	...	**1,280,600**	564,200	716,400	—5,600	—7,900
3,977,700	315,700	3,662,000	—145,000	3,990,900	1,600	**3,992,500**	290,700	3,701,800	—130,200	+14,800
1,105,700	1,105,700	...	+192,800	953,400	500	**953,900**	953,900	...	+41,000	—151,800
384,400	384,400	...	—6,600	398,500	1,000	**399,500**	399,500	...	+8,500	+15,100
155,900	81,600	74,300	+4,700	62,300	89,900	**152,200**	75,100	77,100	+1,600	—3,700
478,700	147,900	330,800	—13,400	488,700	200	**488,900**	151,600	337,300	—3,200	+10,200
264,600	264,600	...	—11,200	270,600	100	**270,700**	270,700	...	—5,100	+6,100
34,700	17,600	17,100	+200	36,500	...	**36,500**	18,300	18,200	+2,000	+1,800
1,271,100	83,100	1,188,000	—21,200	1,277,500	3,300	**1,280,800**	82,300	1,198,500	—11,500	+9,700
260,000	2,000	258,000	—4,100	259,900	...	**259,900**	1,800	258,100	—4,200	—100
9,557,800	3,202,900	6,354,900	+18,500	9,354,000	96,600	**9,450,600**	3,042,100	6,408,500	—88,700	—107,200
10,008,900	9,045,200	963,700	—10,100	3,868,300	6,088,700	**9,957,000**	8,989,100	967,900	—62,000	—51,900
8,076,700	*8,076,700*	...	—311,000	*4,414,900*	*3,733,800*	***8,148,700***	*8,148,700*	...	—383,000	—72,000
1,464,300	*743,500*	*720,800*	—41,000	*1,381,800*	*127,600*	***1,509,400***	*774,000*	*735,400*	—86,100	—45,100
467,900	225,000	242,900	—362,100	—1,928,400	2,227,300	**298,900**	66,400	232,500	—531,100	—169,000
667,500	667,500	...	+21,400	690,800	...	**690,800**	690,800	...	+44,700	+23,300
1,135,400	892,500	242,900	—340,700	—1,237,600	2,227,300	**989,700**	757,200	232,500	—486,400	—145,700
3,221,000	3,221,000	...	—73,400	3,179,500	324,000	**3,503,500**	3,503,500	...	+209,100	+283,500
86,000	86,000	...	—16,000	85,200	5,100	**90,300**	90,300	...	—11,700	+4,300
1,991,600	1,085,000	906,600	—27,900	1,659,700	351,200	**2,010,900**	1,099,800	911,100	—8,600	+19,300
3,378,900	82,200	3,296,700	+65,900	3,355,400	700	**3,356,100**	81,000	3,275,100	+43,100	—22,800
1,052,500	152,000	900,500	+42,700	1,065,700	...	**1,065,700**	151,600	914,100	+55,900	+13,200
5,405,700	280,500	5,125,200	+43,400	5,526,100	200	**5,526,300**	298,000	5,228,300	+164,000	+120,600
217,900	...	217,900	+2,400	200,800	...	**200,800**	...	200,800	—14,700	—17,100
3,176,700	112,800	3,063,900	—218,100	3,256,400	10,200	**3,266,600**	129,500	3,137,100	—128,200	+89,900
131,200	131,200	...	—4,100	136,100	300	**136,400**	136,400	...	+1,100	+5,200
1,515,100	129,200	1,385,900	+25,100	1,475,100	3,100	**1,478,200**	153,400	1,324,800	—11,800	—36,900
1,176,600	1,003,700	172,900	+20,300	1,162,100	16,400	**1,178,500**	958,600	219,900	+22,200	+1,900
602,300	64,300	538,000	—6,600	620,500	1,800	**622,300**	64,300	558,000	+13,400	+20,000
471,700	319,000	152,700	—30,700	458,100	40,100	**498,200**	325,700	172,500	—4,200	+26,500
19,120,200	3,359,900	15,760,300	—87,600	18,916,000	424,000	**19,340,000**	3,398,300	15,941,700	+132,200	+219,800
215,200	215,200	...	—2,600	203,700	10,600	**214,300**	214,300	...	—3,500	—900
229,100	229,100	...	+145,200	1,300	228,000	**229,300**	229,300	...	+145,400	+200
3,48[illegible],800	2,172,800	1,311,000	—59,700	1,477,000	2,052,000	**3,529,000**	2,169,500	1,359,500	—14,500	+45,200
769,700	225,600	544,100	+16,000	632,900	107,700	**740,600**	201,900	538,700	—13,100	—29,100
433,400	168,300	265,100	—88,100	543,600	26,500	**570,100**	234,600	335,500	+48,600	+136,700
5,131,200	3,011,000	2,120,200	+10,800	2,858,500	2,424,800	**5,283,300**	3,049,600	2,233,700	+162,900	+152,100
40,000	40,000	...	+32,900	46,300	...	**46,300**	46,300	...	+39,200	+6,300
—400	—400	...	—400	—700	...	**—700**	—700	...	—700	—300
500,400	500,400	...	+400	412,200	21,100	**433,300**	433,300	...	—66,700	—67,100
460,000	295,300	164,700	—32,900	521,100	...	**521,100**	424,600	96,500	+28,200	+61,100
1,000,000	835,300	164,700	...	978,900	21,100	**1,000,000**	903,500	96,500	...	...
39,251,600	14,668,600	24,643,000	—488,400	34,134,500	5,522,900	**39,657,400**	14,744,500	24,912,900	—82,600	+405,800

BUDGET ESTIMATE, 1916-1917.		
India.	England.	Total.
£	£	£
4,397,400	3,652,600	**8,050,000**
17,500	81,200	**98,700**
4,414,900	3,733,800	**8,148,700**

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1914-1915.					REVISED	
	India.	England.	Total.	Distribution of Total between		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward	33,036,624	5,714,269	**38,750,893**	14,382,674	24,368,219	33,784,600	5,467,000
Railways—							
38.—State Railways: Interest on Debt	4,189,391	3,625,050	**7,814,441**	7,814,441	...	4,327,400	3,650,600
Annuities in purchase of Railways	...	3,357,665	**3,357,665**	3,357,665	...	...	3,357,700
Sinking Funds	...	199,554	**199,554**	199,554	...	...	208,900
Interest chargeable against Companies on Advances	16,523	81,250	**97,773**	97,773	...	17,500	81,200
Interest on Capital deposited by Companies	54,098	1,932,369	**1,986,467**	1,986,467	...	58,600	2,073,200
40.—Subsidised Companies: Land, etc.	97,990	...	**97,990**	97,473	517	177,600	...
41.—Miscellaneous Railway Expenditure	87,225	...	**87,225**	87,225	...	38,100	...
Total	4,445,227	9,195,888	**13,641,115**	13,640,598	517	4,619,200	9,371,600
Irrigation—							
42.—Major Works: Working Expenses	1,289,393	...	**1,289,393**	604,321	685,072	1,371,900	...
Interest on Debt	1,284,150	125,379	**1,409,529**	705,916	703,613	1,337,500	126,800
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	59,863	...	**59,863**	59,863	...	21,700	...
43.—Minor Works and Navigation	995,230	253	**995,483**	302,313	693,170	910,800	600
Total	3,628,636	125,632	**3,754,268**	1,672,413	2,081,855	3,641,900	127,400
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	459	...	**459**	...	459	1,500	...
45.—Civil Works	7,089,011	87,739	**7,176,750**	1,048,960	6,127,790	5,408,000	48,000
Total	7,089,470	87,739	**7,177,209**	1,048,960	6,128,249	5,409,500	48,000
Military Services—							
46.—Army: Effective	14,780,052	2,300,746	**17,080,798**	17,080,798	...	16,106,500	2,469,600
Non-Effective	733,792	2,521,969	**3,255,761**	3,255,761	...	848,200	2,425,900
	15,513,844	4,822,715	**20,336,559**	20,336,559	...	16,954,700	4,895,500
46A.—Marine	245,979	217,391	**463,370**	463,370	...	228,800	290,300
47.—Military Works	960,367	35,704	**996,071**	996,071	...	793,500	36,700
47A.—Special Defences (1902)	4,343	9,260	**13,603**	13,603	...	7,500	8,800
Total	16,724,533	5,085,070	**21,809,603**	21,809,603	...	17,984,500	5,231,300
Total Expenditure, Imperial and Provincial	64,924,490	20,208,598	**85,133,088**	52,554,248	32,578,840	65,439,700	20,245,300
Add—Portion of Allotments to Provincial Governments not spent by them in the year	...	...	...	...	...	53,500	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	*2,190,152*	...	***2,190,152***	...	*2,190,152*	*618,500*	...
Total Expenditure charged to Revenue	62,734,338	20,208,598	**82,942,936**	52,554,248	30,388,688	64,874,700	20,245,300

	ACCOUNTS, 1914-1915.		
	India.	England.	Total.
Capital Expenditure not charged to Revenue—	£	£	£
48.—State Railways	8,085,799	2,424,059	**10,509,858**
49.—Irrigation Works	1,077,746	45,434	**1,123,180**
Total	9,163,545	2,469,493	**11,633,038**
51.—Initial Expenditure on new Capital at Delhi	299,452	60,909	**360,361**

Revenues of India, in India and in England—*continued.*

ESTIMATE, 1915-1916.			Increase + Decrease — as compared with Budget Estimate, 1915-1916.	BUDGET ESTIMATE, 1916-1917.					Increase + Decrease — of Budget, 1916-1917, as compared with Budget Estimate, 1915-1916.	Increase + Decrease — of Budget, 1916-1917, as compared with Revised Estimate, 1915-1916.
Total.	Distribution of Total between			India.	England.	Total.	Distribution of Total between			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	£
39,251,600	14,608,600	24,643,000	−488,400	34,134,500	5,522,900	**39,567,400**	14,744,500	24,912,900	−82,600	+ 405,800
7,978,000	7,978,000	...	+311,200	4,397,400	3,652,600	**8,050,000**	8,050,000	...	+ 383,200	+ 72,000
3,357,700	3,357,700	...	...	...	3,357,700	**3,357,700**	3,357,700	...	...	...
208,900	208,900	...	+ 800	...	217,700	**217,700**	217,700	...	+ 9,600	+ 8,800
98,700	98,700	...	—200	17,500	81,200	**98,700**	98,700	...	—200	...
2,131,800	2,131,800	...	−121,500	59,600	2,172,100	**2,231,700**	2,231,700	...	—21,600	+ 99,900
177,600	176,700	900	—23,500	234,300	...	**234,300**	233,300	1,000	+33,200	+ 56,700
38,100	37,300	800	—15,500	27,000	...	**27,000**	26,700	300	−26,600	—11,100
13,990,800	13,989,100	1,700	+ 151,800	4,735,800	9,481,300	**14,217,100**	14,215,800	1,300	+ 377,600	+ 226,300
1,371,900	649,500	722,400	+ 100,500	1,367,500	...	**1,367,500**	638,900	728,600	+ 96,100	−4,400
1,464,300	743,500	720,800	+ 41,000	1,381,800	127,600	**1,509,400**	774,000	735,400	+ 86,100	+ 45,100
21,700	21,700	...	+ 21,700	...	...	...	...	...	...	—21,700
911,400	282,800	628,600	—44,700	894,000	...	**894,000**	288,900	605,100	−62,100	−17,400
3,769,300	1,697,500	2,071,800	+ 118,500	3,643,300	127,600	**3,770,900**	1,701,800	2,069,100	+ 120,100	+ 1,600
1,500	...	1,500	+ 200	1,700	...	**1,700**	...	1,700	+ 400	+ 200
5,456,000	877,100	4,578,900	—357,800	4,703,000	39,500	**4,742,500**	771,300	3,971,200	−1,071,300	−713,500
5,457,500	877,100	4,580,400	—357,600	4,704,700	39,500	**4,744,200**	771,300	3,972,900	−1,070,900	−713,300
18,576,100	18,576,100	...	+ 1,874,500	16,976,900	1,858,600	**18,835,500**	18,835,500	...	+ 2,133,900	+ 259,400
3,274,100	3,274,100	...	+ 2,000	919,600	2,324,000	**3,243,600**	3,243,600	...	−28,500	−30,500
21,850,200	21,850,200	...	+ 1,876,500	17,896,500	4,182,600	**22,079,100**	22,079,100	...	+ 2,105,400	+ 228,900
519,100	519,100	...	—131,300	257,100	450,500	**707,600**	707,600	...	+ 57,200	+ 188,500
830,200	830,200	...	+ 85,900	808,300	50,000	**858,300**	858,300	...	+ 114,000	+ 28,100
16,300	16,300	...	−4,800	12,300	8,600	**20,900**	20,900	...	−200	+ 4,600
23,215,800	23,215,800	...	+ 1,826,300	18,974,200	4,691,700	**23,665,900**	23,665,900	...	+ 2,276,400	+ 450,100
85,685,000	54,388,100	31,296,900	+ 1,250,100	66,192,500	19,863,000	**86,055,500**	55,099,300	30,956,200	+ 1,620,600	+ 370,500
53,500	...	53,500	+ 512,600	13,800	...	**13,800**	...	13,800	+ 725,000	+ 212,400
618,500	...	***618,500***		***366,400***	...	***366,400***	...	***366,400***		
85,120,000	54,388,100	30,731,900	+ 1,762,700	65,839,900	19,863,000	**85,702,900**	55,099,300	30,603,600	+ 2,345,600	+ 582,900

REVISED ESTIMATE, 1915-1916.			BUDGET ESTIMATE, 1916-1917.		
India.	England.	Total.	India.	England.	Total.
£	£	£	£	£	£
3,863,800	929,400	**4,793,200**	2,043,500	758,400	**2,801,900**
857,000	35,000	**892,000**	882,900	17,100	**900,000**
4,720,800	964,400	**5,685,200**	2,926,400	775,500	**3,701,900**
320,300	13,000	**333,300**	215,400	51,300	**266,700**

C.—Statement of Receipts and Disbursements of the

	Accounts, 1914-1915.			Revised Estimate, 1915-1916.			Budget Estimate, 1916-1917.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A)	80,474,924	682,742	81,157,666	82,620,400	705,400	83,325,800	85,732,800	795,800	86,528,600
Excess of Revenue over Expenditure charged to Revenue			**-1,785,270**			**-1,794,200**			**825,700**
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways	2,368,577	...	2,368,577	3,499,300	...	3,499,300	3,000	...	3,000
Capital contributed by Native States towards construction of State Railways	66,666	...	66,666	66,700	...	66,700	66,700	...	66,700
Outlay of Railway Companies—									
Repayments	...	20,407	20,407	...	9,500	9,500	...	2,000	2,000
Net			**0**			**0**			**0**
Raised and Deposited by Railway Companies—									
On account of Subscribed Capital	410,154	1,557,336	1,967,490	869,300	...	869,300	671,900	2,930,400	3,602,300
Net			**1,967,490**			**494,100**			**671,900**
Permanent Debt Incurred—									
Sterling Debt—									
India Stock	...	...		...	...		...	...	
Rupee Debt—									
Rupee Loan	3,333,333	...		3,332,700	...		4,333,300	...	
Total	3,333,333	...	3,333,333	3,332,700	...	3,332,700	4,333,300	...	4,333,300
Net			**2,727,294**			**2,386,400**			**3,822,100**
Temporary Debt Incurred—									
Temporary Loans	8,333,333	7,000,000	15,333,333	...	7,000,000	7,000,000	...	5,500,000	5,500,000
Net			**14,333,333**			**0**			**0**
Unfunded Debt—									
Deposits of Service Funds	86,845	...		87,300	...		86,300	...	
Savings Bank Deposits	7,568,652	...		6,429,800	...		6,252,500	...	
Total	7,655,497	...	7,655,497	6,517,100	...	6,517,100	6,338,800	...	6,338,800
Net			**0**			**852,500**			**254,700**
Deposits and Advances—									
Balances of Provincial Allotments	...	...		53,500	...		13,800	...	
Appropriation for Reduction or Avoidance of Debt	220,115	...		460,000	...		521,100	...	
Deposits of Local Funds—									
District Funds	5,272,271	...		5,079,500	...		4,955,300	...	
Other Funds	1,253,775	...		1,111,600	...		1,153,500	...	
Deposits of Sinking Funds	59,058	...		37,900	...		16,500	...	
	(a)	(b)			(c)				
Gold Standard Reserve	8,779,868	10,021,380		...	16,328,600		...	13,726,700	
Paper Currency Reserve	...	...		...	(e)8,467,000		...	12,000,000	
Departmental and Judicial Deposits	31,653,523	...		29,948,500	...		28,079,300	...	
Advances	6,195,340	899,333		6,619,700	1,586,500		6,203,400	1,569,000	
Suspense Accounts	298,235	...		7,464,700	...		7,625,000	...	
Miscellaneous	132,417	4,221		38,900	383,100		6,600	545,000	
Total	53,864,602	10,924,934	64,789,536	50,814,300	26,765,200	77,579,500	48,574,500	27,840,700	76,415,200
Net			**0**			**7,970,000**			**1,037,700**
Carried over	156,507,086	20,185,419		147,719,800	34,480,100		145,721,000	37,068,900	

(a) Includes £8,707,000 on account of bills and telegraphic transfers on London.
(c) Includes £7,533,000 remitted from India by means of Council bills.
(e) Represents remittance from India by means of Council bills.

Government of India, in India and in England.

	Accounts, 1914-1915.			Revised Estimate, 1915-1916.			Budget Estimate, 1916-1917.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Expenditure, Imperial and Provincial (from Statement B)	64,924,490	20,208,598	85,133,088	65,439,700	20,245,300	85,685,000	66,192,500	19,863,000	86,055,500
Add—Provincial Surpluses transferred to "Deposits"	...	...	...	53,500	...	53,500	13,800	...	13,800
Deduct—Provincial Deficits charged to "Deposits"	*2,190,152*	...	*2,190,152*	*618,500*	...	*618,500*	*366,400*	...	*366,400*
Total	62,734,338	20,208,598	82,942,936	64,874,700	20,245,300	85,120,000	65,839,900	19,863,000	85,702,900
Railway, Irrigation, and other Capital not charged to Revenue—									
Outlay on Irrigation Works	1,077,746	45,434	1,123,180	857,000	35,000	892,000	882,900	17,100	900,000
Outlay on State Railways	8,085,799	2,424,059	10,509,858	3,863,800	929,400	4,793,200	2,043,500	758,400	2,801,900
Initial expenditure on new Capital at Delhi	299,452	60,909	360,361	320,300	13,000	333,300	215,400	51,300	266,700
Outlay of Railway Companies— Payments for Capital Outlay	—171,039	1,533,699	1,362,660	188,500	691,700	880,200	540,900	412,200	953,100
Net			**1,342,253**			**870,700**			**951,100**
Raised and deposited by Railway Companies— Payments for Discharge of Debentures	...	...	...	...	375,200	375,200	...	2,930,400	2,930,400
Net			**0**			**0**			**0**
Permanent Debt Discharged—									
Sterling Debt—									
Indian Midland Railway Debentures	...	...		...	407,500		...	...	
India Bonds	...	500,000		...	500,000		...	500,000	
Rupee Debt—									
4½ p. c. Loans	...	...		...	...		...	...	
4 p. c. Loans	103,579	...		...	...		...	...	
3½ p. c. Loans	...	...		...	...		4,500	...	
3 p. c. Loans	2,433	...		38,700	...		6,700	...	
Provincial Debentures	27	...		100	...		...	...	
Total	106,039	500,000	606,039	38,800	907,500	946,300	11,200	500,000	511,200
Net			**0**			**0**			**0**
Temporary Debt Discharged—									
Temporary Loans	1,000,000	...	1,000,000	3,000,000	7,000,000	10,000,000	...	7,000,000	7,000,000
Net			**0**			**3,000,000**			**1,500,000**
Unfunded Debt—									
Special Loans	184	...		1,300	...		300	...	
Deposits of Service Funds	95,428	...		91,900	...		97,900	...	
Savings Bank Deposits	12,562,165	...		5,571,400	...		5,985,900	...	
Total	12,657,777	...	12,657,777	5,664,600	...	5,664,600	6,084,100	...	6,084,100
Net			**5,002,280**			**0**			**0**
Deposits and Advances—									
Balances of Provincial Allotments	2,190,152	...		618,500	...		366,400	...	
Deposits of Local Funds—									
District Funds	5,246,520	...		5,463,600	...		5,257,600	...	
Other Funds	1,384,298	...		1,164,900	...		1,170,000	...	
Deposits of Sinking Funds	22,685	...		127,800	...		...	...	
		(*a*)			(*d*)				
Gold Standard Reserve	8,732,110	10,038,020		69,900	8,549,500		...	12,469,200	
Paper Currency Reserve	...	...		...	8,467,000		...	12,000,000	
Departmental and Judicial Deposits	31,561,598	...		28,765,500	...		28,107,500	...	
Advances	6,443,804	934,120		6,820,500	1,674,900		6,204,000	1,832,100	
Suspense Accounts	309,586	...		7,601,000	...		7,665,700	...	
Miscellaneous	19,170	2,881		...	286,400		...	305,000	
Total	55,909,923	10,975,021	66,884,944	50,631,700	18,977,800	69,609,500	48,771,200	26,606,300	75,377,500
Net			**2,095,408**			**0**			**0**
Carried over	141,700,035	35,747,720		129,439,400	49,174,900		124,389,100	58,138,700	

(*b*) Includes £600,000 remitted from India by means of Council bills and £172 on account of profit by exchange.
(*d*) Includes £225,000 on account of bills and telegraphic transfers on London.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1914-1915.			Revised Estimate, 1915-1916.			Budget Estimate, 1916-1917.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	156,507,086	20,185,419		147,719,800	34,480,100		145,721,000	37,068,900	
Loans and Advances by Imperial Government	210,361	...	210,361	321,400	...	321,400	206,700	...	206,700
Net			4,553			159,700			0
Loans and Advances by Provincial Governments	1,244,507	...	1,244,507	1,495,900	...	1,495,900	1,316,600	...	1,316,600
Net			0			155,900			431,300
Loans to Local Boards for Railway Construction	7,411	...	7,411	7,700	...	7,700	8,000	...	8,000
Net			7,411			7,700			8,000
Remittances—									
Inland Money Orders	37,351,921	...		38,000,000	...		40,000,000	...	
Other Local Remittances	...	...		8,179,800	...		6,779,200	...	
Other Departmental Accounts	1,777	...		...	...		...	...	
Net Receipts by Civil Treasuries from—									
Railways	11,360,439	...		14,674,800	...		14,184,900	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs	6,115,047	...		737,200	...		1,291,700	...	
Marine	5,161,966	...		5,868,600	...		4,954,600	...	
Military Works	983,943	...		1,201,800	...		1,130,300	...	
Military	16,413,122	...		21,963,300	...		26,246,600	...	
Remittance Account between England and India—									
Gold remitted from India	1	604,754		...	2,000,000		...	...	
Transfers through Paper Currency Reserve	...	1,000,000		...	...		...	...	
War Office transactions	5,060,643	9,229,436		1,735,200	16,120,200		2,566,000	19,415,000	
Purchase of Silver	...	3,138		...	...		...	...	
Railway transactions	4,615,345	2,360,578		2,145,300	3,487,900		1,301,200	506,500	
Other "	1,517,751	1,217,226		4,692,000	9,576,800		2,038,800	3,259,500	
Total	88,581,855	14,415,132	102,996,987	99,198,000	31,184,900	130,382,900	100,493,300	23,181,000	123,674,300
Net			0			0			59,100
Secretary of State's Bills drawn	...	(b) 7,147,940	7,147,940	...	(d) 4,061,000	4,061,000	...	3,885,000	3,885,000
Sterling Bills on London	...	...	...	(e)4,668,000	...	4,668,000	...	...	...
Total Receipts	246,551,320	41,748,491		253,410,800	69,726,000		247,745,600	64,134,900	
Opening Balance	15,608,263	(a) 8,157,732		14,779,334	(c) 7,913,236		11,451,934	(f) 14,475,536	
GRAND TOTAL	262,159,473	49,906,223		268,190,134	77,639,236		259,197,534	78,610,436	

(a) Of this amount £24,962 represents the funds of the Gold Standard Reserve.
(c) " £8,322 " " " " "
(e) In addition to £225,000 on account of the Gold Standard Reserve.
(g) Of this amount £9,044,922 represents the funds of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT,
March 21, 1916.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England—*continued.*

	Accounts, 1914-1915.			Revised Estimate, 1915-1916.			Budget Estimate, 1916-1917.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward .	141,700,035	35,747,720		129,439,400	49,174,900		124,389,100	58,138,700	
Loans and Advances by Imperial Government . .	205,808	...	205,808	161,700	...	161,700	251,400	...	251,400
Net .			**0**			**0**			**44,700**
Loans and Advances by Provincial Governments .	1,587,632	...	1,587,632	1,340,000	...	1,340,000	885,300	...	885,300
Net .			**343,125**			**0**			**0**
Remittances—									
Inland Money Orders .	37,415,953	...		38,000,000	...		40,000,000	...	
Other Local Remittances	55,305	...		8,179,800	...		6,779,200	...	
Other Departmental Accounts . . .	16,565	...		...	...		...	...	
Net Payments into Civil Treasuries by—									
Railways . . .	11,470,314	...		14,794,800	...		14,184,900	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs .	6,110,269	...		737,200	...		1,291,700	...	
Marine . . .	5,149,021	...		5,868,600	...		4,954,600	...	
Military Works .	982,615	...		1,201,800	...		1,130,300	...	
Military . . .	16,415,545	...		21,963,300	...		26,246,600	...	
Remittance Account between England and India—									
Gold remitted from India . . .	604,761	...		2,000,000	...		...	...	
Transfers through Paper Currency Reserve . .	1,000,000	...		...	...		...	...	
War Office transactions	13,932,274	545,109		16,185,000	1,735,200		19,415,000	2,566,000	
Purchase of Silver .	3,188	...		...	...		...	...	
Railway transactions .	2,326,785	4,649,049		3,459,600	2,173,600		...	1,807,700	
Other „ .	1,806,086	1,051,109		8,836,700	5,412,000		3,524,200	1,715,000	
Total .	97,288,681	6,245,267	103,533,898	121,226,800	9,320,800	130,547,600	117,526,500	6,088,700	123,615,200
Net .			**536,911**			**64,700**			
Secretary of State's Bills paid . .	(b) 6,598,033	...	6,598,033	(d) 4,570,300	...	4,570,300	3,885,000	...	3,885,000
Sterling Bills on London . .	...	...	...	...	(e) 4,668,000	4,668,000	...	...	...
Total Disbursements .	247,380,139	41,992,987		256,738,200	63,163,700		246,937,300	64,227,400	
Closing Balance .	14,779,334	(c) 7,913,236		11,451,934	(f) 14,475,536		12,260,234	(g) 14,383,036	
GRAND TOTAL .	262,159,473	49,906,223		268,190,134	77,639,236		259,197,534	78,610,436	

(b) In addition to £600,172 on account of remittance of the Gold Standard Reserve.
(d) In addition to £7,533,000 and £8,467,000 on account of the Gold Standard Reserve and Paper Currency Reserve, respectively.
(f) Of this amount £7,787,422 represents the funds of the Gold Standard Reserve.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1914-15.	Revised, 1915-16.	Budget, 1916-17.
Madras—	R	R	R
Balance on April 1st	1,75,60,468	1,10,16,000	1,02,20,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,66,700	24,50,000	24,50,000
Other revenue	7,32,67,482	7,39,46,000	7,45,65,000
Total Expenditure	8,22,78,598	7,71,92,000	7,73,14,000
Closing Balance	1,10,16,052	1,02,20,000	99,21,000
Bombay—			
Balance on April 1st	1,95,34,085	1,58,04,000	1,43,65,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	20,88,500	20,80,000	20,80,000
Other revenue	7,34,95,486	7,31,10,000	7,30,80,000
Total Expenditure	7,93,13,794	7,66,29,000	7,54,10,000
Closing Balance	1,58,04,277	1,43,65,000	1,41,15,000
Bengal—			
Balance on April 1st	3,18,11,112	2,72,60,000	2,58,90,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	44,91,600	35,21,000	35,13,000
Other revenue	5,77,18,295	5,91,10,000	5,84,91,000
Total Expenditure	6,67,60,684	6,40,01,000	6,17,97,000
Closing Balance	2,72,60,323	2,58,90,000	2,60,97,000
United Provinces—			
Balance on April 1st	1,84,74,177	1,45,07,000	1,43,73,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,21,600	24,99,000	22,29,000
Other revenue	6,36,97,879	6,62,39,000	6,54,69,000
Total Expenditure	7,00,87,086	6,88,72,000	6,80,97,000
Closing Balance	1,45,06,570	1,43,73,000	1,39,74,000
Punjab—			
Balance on April 1st	70,91,590	52,21,000	60,23,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	16,84,800	13,60,000	13,55,000
Other revenue	4,59,21,488	4,71,74,000	4,59,89,000
Total Expenditure	4,94,76,552	4,77,32,000	4,78,26,000
Closing Balance	52,21,826	60,23,000	55,41,000
Burma—			
Balance on April 1st	1,39,36,225	93,25,000	69,80,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,92,200	9,94,000	9,94,000
Other revenue	5,25,28,485	5,39,20,000	5,51,00,000
Total Expenditure	5,96,31,715	5,72,59,000	5,74,02,000
Closing Balance	93,25,145	69,80,000	56,72,000
Bihar and Orissa—			
Balance on April 1st	1,91,64,187	1,54,33,000	1,35,48,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	14,63,300	14,61,000	14,61,000
Other revenue	2,86,97,957	3,00,70,000	2,88,07,000
Total Expenditure	3,88,91,898	3,34,16,000	3,25,71,000
Closing Balance	1,54,33,496	1,35,48,000	1,12,45,000
Central Provinces—			
Balance on April 1st	1,09,53,278	97,46,000	95,00,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	9,29,200	9,14,000	9,14,000
Other revenue	2,83,78,124	2,77,73,000	2,79,44,000
Total Expenditure	3,05,15,078	2,89,33,000	2,89,16,000
Closing Balance	97,45,524	95,00,000	94,42,000
Assam—			
Balance on April 1st	55,88,802	29,49,000	18,87,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	4,47,600	4,48,000	4,48,000
Other revenue	1,36,39,666	1,39,10,000	1,41,64,000
Total Expenditure	1,67,27,190	1,54,20,000	1,50,09,000
Closing Balance	29,48,878	18,87,000	14,90,000
Total—			
Balance on April 1st	14,41,13,874	11,12,61,000	10,27,86,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,84,85,300	1,57,27,000	1,54,44,000
Other revenue	43,73,44,812	44,52,52,000	44,36,09,000
Total Expenditure	48,86,82,595	46,94,54,000	46,43,42,000
Closing Balance	11,12,61,591	10,27,86,000	9,74,97,000
Total (in sterling)—	£	£	£
Balance on April 1st	9,607,591	7,417,400	6,852,400
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,232,367	1,048,500	1,029,600
Other revenue	29,156,321	29,683,400	29,574,000
Total Expenditure	32,578,840	31,296,900	30,956,200
Closing Balance	7,417,439	6,852,400	6,499,800

R. A. GAMBLE, *Comptroller General.*

H. F. HOWARD, *Controller of Currency.*

J. B. BRUNYATE, *Secy. to the Govt. of India.*

DELHI,
FINANCE DEPARTMENT
March 21, 1916.

I.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1914-1915.					REVISED ESTIMATE, 1915-1916.		BUDGET ESTIMATE, 1916-1917.	
		EXPENDITURE.							
	Revenue.	Refunds and Assignments.	Cost of Collection and Production.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Revenue Heads.	£	£	£	£	£	£	£	£	£
Principal Heads of Revenue — Land Revenue (excluding that due to Irrigation)	21,221,539	786,595	3,914,018	16,520,926		17,065,500		17,142,500	
Opium	1,572,218	5,336	654,089	912,793		777,700		1,329,400	
Salt	3,910,790	269,985	360,517	3,280,288		2,829,500		3,319,300	
Stamps	5,082,043	61,894	119,863	4,900,286		5,200,800		5,271,800	
Excise	8,856,881	109,133	459,685	8,288,063		7,949,600		7,954,200	
Provincial Rates	38,814	1,346	...	37,468		39,200		28,300	
Customs	6,347,201	190,141	264,279	5,892,781		5,417,500		7,279,000	
Income Tax	2,036,733	16,794	32,626	1,987,313		1,997,300		2,861,500	
Forest	1,980,652	9,434	1,217,808	753,410		735,400		759,200	
Registration	485,295	862	257,980	226,453		249,000		256,600	
Tributes	609,827	206,945	...	402,882		399,600		408,100	
TOTAL	52,141,993	1,658,465	7,280,865	43,202,663		42,661,100		46,609,900	
Total deduction from Revenue		8,939,330							
Expenditure Heads.									
Debt Services — Interest	1,023,307	1,191,257			167,950		39,400	185,600	
Commercial Services — Posts and Telegraphs	3,596,973	3,257,263		339,710		543,800		373,400	
Railways	15,799,149	13,641,115		2,158,034		3,748,500		2,737,900	
Irrigation	4,680,969	3,754,268		926,701		1,000,500		1,066,500	
Other Public Works — Civil Works, etc.	288,219	7,177,209			6,888,990		5,169,000		4,474,500
Mint — Mint	69,498	141,682			72,184		12,000		17,400
Civil Departments — Civil Departments	1,505,120	18,909,977			17,404,857		17,573,900		17,790,100
Miscellaneous Civil Services — Superannuation	213,235	3,479,734			3,266,499		3,269,900		3,315,700
Exchange	1,729	...		1,729		86,700			
Miscellaneous	365,192	530,324			165,132		170,100		310,500
Other heads	97,594	1,301,326			1,203,732		1,122,800		1,092,000
Famine Relief and Insurance — Famine Relief	...	279,885			279,885		40,000		46,300
Other heads	...	720,115			720,115		960,000		953,700
Military Services — Army — Effective	974,846	17,080,798			16,108,952		17,802,100		18,052,200
Army — Non-effective	124,345	3,255,761			3,131,416		3,154,700		3,123,500
Marine	198,115	463,370			265,255		325,480		525,100
Military works	80,382	996,071			915,689		744,200		778,300
Special Defences (1902)	...	13,603			13,603		16,300		20,900
TOTAL	81,157,666	85,133,088			3,975,422		2,359,200	473,100	
Provincial Adjustment — Surplus		...							
Deficit		2,190,152		2,190,152		565,000		352,600	
TOTAL	81,157,666	82,942,936			1,785,270		1,794,200	825,700	
Surplus								825,700	
Deficit					1,785,270		1,794,200		
Capital Account — Railway, Irrigation and other Capital not charged to Revenue:— Capital raised through Companies towards outlay on State Railways				2,368,577		3,499,300		3,000	
Capital contributed by Native States towards construction of State Railways				66,666		66,700		66,700	
Capital raised and deposited by Railway Companies (net)				1,967,490		494,100		671,900	
Outlay on Irrigation Works					1,123,180		892,000		900,000
Outlay on State Railways					10,509,858		4,793,200		2,801,900
Initial outlay on new Capital at Delhi					360,361		333,300		266,700
Outlay of Railway Companies (net)					1,342,253		870,700		951,100
Debt, Deposits, Advances, and Remittances — Permanent Debt (net)				2,727,294		2,386,400		3,822,100	
Temporary Debt (net)				14,333,333			3,000,000		1,500,000
Unfunded Debt (net)					5,002,280	852,500		254,700	
Loans and Advances by Imperial Government (net)				4,553		159,700			44,700
Loans and Advances by Provincial Governments (net)					343,125	155,900		431,300	
Loans to Local Boards for Railway Construction (net)				7,411		7,700		8,000	
Deposits and Advances (net)					2,095,408	7,970,000		1,037,700	
Remittances (net)					536,911		164,700	59,100	
Secretary of State's Bills drawn				7,147,940		4,061,000		3,885,000	
Secretary of State's Bills paid					6,598,033		4,570,300		3,885,000
Sterling Bills on London drawn						4,668,000			
Sterling Bills on London paid							4,668,000		
				28,623,264	29,696,679	24,321,300	21,086,400	11,065,200	10,349,400
Cash Balance — Opening Balance				23,765,985		22,692,570		25,927,470	
Closing Balance					22,692,570		25,927,470		26,643,270
TOTAL				52,389,249	52,389,249	47,013,870	47,013,870	36,992,670	36,992,670

R. A. GAMBLE,
Comptroller General.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT,
March 21, 1916.

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

Introductory.

1. In this memorandum the variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget estimates of next year, are explained in detail for the major heads of account. Under most of the heads details by provinces have been given, and it may be explained that the figures shown against "India General" represent the transactions of the Central Government, including all expenditure directly controlled by it, of the minor administrations of Ajmer-Merwara and Coorg, and of the convict settlement in the Andamans. The Budget estimates of Provincial and "Divided" expenditure in 1916-17 generally represent the allotments proposed by the several Governments and Administrations with whom regular provincial settlements have been concluded. More detailed information regarding the figures will be found in the Financial Statements presented by the Local Governments to their respective Councils.

2. The figures for the province of Delhi have been entered separately and explained under each major head of account. A *pro formâ* account of expenditure on Delhi and the Delhi province is also appended to this memorandum (Appendix I), together with a prefatory note explaining the scope of the *pro formâ* account and the relation between it and the regular accounts.

General results.

3. The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows :—

	Accounts, 1914-15.	Revised, 1915-16.	Budget, 1916-17.
	£	£	£
Revenue	81,157,666	83,325,800	86,528,600
Expenditure charged to Revenue	82,942,936	85,120,000	85,702,900
Imperial deficit	1,785,270	1,794,200	
Imperial surplus			825,700

These figures exclude all capital, debt, and remittance transactions.

Accounts, 1914-15.

4. The Accounts of 1914-15 are not discussed in this memorandum, but according to our usual practice in the past a brief explanation is given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Council twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Comptroller and Auditor-General.

5. The broad results are brought out in the following table :—

	Revised, 1914-15.			Actuals, 1914-15.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
	£	£	£	£	£	£
Revenue . . .	49,929,200	30,228,400	80,157,600	50,769,000	30,388,700	81,157,700
Expenditure . . .	52,715,000	32,483,400	85,198,400	52,554,300	32,578,800	85,133,100
Deficit . .	2,785,800	2,255,000	5,040,800	1,785,300	2,190,100	3,975,400

6. The Imperial revenue proved to be £839,800 higher, and the Imperial expenditure £160,700 less than the Revised estimate, with the result that the deficit was £1,000,500 smaller than was anticipated. The principal items contributing to this improvement are mentioned below. The net receipts of Railways advanced by £529,600. The effect of the unfavourable economic conditions created by the war on the earnings of railways in March was less marked than had been anticipated, and there was an increase of £464,600 in the gross traffic receipts on the Great Indian Peninsula, East Indian, Bombay Baroda and Central India and certain other lines. There was also a net saving of £65,000 in the grants for working expenses and payments of surplus profits to companies, etc. The Salt revenue showed a rise of £138,800 owing mainly to heavy payments of duty in Northern India in advance of actual clearances. There was an increase of £108,900 in the Marine receipts due to larger recoveries from the Imperial Government in connection with the fitting up of transports at the Indian dockyards. The revenue of the Postal and Telegraph Department improved by £77,700 in consequence of a rise in receipts in India and an advance payment by the Home Government under the Morley award in connection with the Eastern Mail Service. The reduction of £160,700 in the Imperial expenditure was mainly due to savings in the grants for salaries, etc., of Civil Departments and Miscellaneous Civil charges. The improvement in the Provincial section resulted chiefly from higher collections of Land Revenue in Burma in March than had been anticipated in the Revised estimate.

Authors of Memorandum.

7. Paragraphs 200 to 227 of this memorandum have been communicated by the Honourable Mr. G. B. H. Fell, C.I.E., Financial Adviser, Military Finance, and paragraphs 157 to 167 and 236 to 239 by Mr. H. N. Heseltine, Accountant General, Railways; the rest of the memorandum has been drafted by Mr. Bhupendra Nath Mitra, C.I.E., of the Indian Finance Department.

I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	7,85,460	7,26,582	7,24,712	7,63,000	6,82,000	7,35,000
2. Delhi	2,01,652	3,53,143	3,19,227	3,56,000	4,13,000	3,80,000
3. Baluchistan	9,60,621	10,40,110	10,18,550	10,37,000	9,52,000	10,18,000
4. North-West Frontier	21,71,162	21,57,652	22,60,241	23,09,000	22,37,000	22,27,000
5. Other Provinces	12,88,478	19,79,133	17,59,382	22,42,000	19,75,000	36,78,000
Total	54,07,373	62,56,620	60,82,112	67,07,000	62,59,000	80,38,000
Divided and Provincial.						
1. Madras	6,88,13,775	6,79,52,486	6,77,35,907	7,03,89,000	7,00,83,000	7,00,41,000
2. Bombay	4,97,03,142	5,84,72,294	5,36,52,418	5,45,51,000	5,22,86,000	5,47,07,000
3. Bengal	2,73,57,194	2,71,19,880	2,69,87,049	2,73,57,000	2,78,53,000	2,75,21,000
4. United Provinces	6,71,00,937	6,08,30,926	6,40,10,989	6,92,22,000	6,86,94,000	6,68,58,000
5. Punjab	3,74,20,500	3,70,43,558	3,86,30,652	3,96,45,000	3,89,74,000	3,68,75,000
6. Burma	4,53,42,149	4,65,26,001	4,48,07,155	4,66,00,000	4,64,99,000	4,68,00,000
7. Bihar and Orissa	1,50,80,571	1,53,28,723	1,51,42,994	1,53,52,000	1,51,21,000	1,53,14,000
8. Central Provinces	1,82,94,753	1,87,22,197	1,88,25,898	2,05,24,000	1,99,42,000	2,00,71,000
9. Assam	77,90,288	78,86,558	74,65,876	80,40,000	78,54,000	81,62,000
Total	33,69,03,309	33,98,82,623	33,72,58,938	35,16,80,000	34,73,06,000	34,63,49,000
TOTAL REVENUE ₹	34,23,10,682	34,61,39,243	34,33,41,050	35,83,87,000	35,35,65,000	35,43,87,000
Shown under I.—Land Revenue ₹	31,92,37,015	32,08,73,629	31,83,23,088	33,22,44,000	32,75,55,000	32,89,82,000
Shown under XXIX.—Irrigation ₹	2,30,73,667	2,52,65,614	2,50,17,962	2,61,43,000	2,60,10,000	2,54,05,000
Equivalent of total Revenue in Sterling £	22,820,713	23,075,949	22,889,403	23,892,500	23,571,000	23,625,800
Shown under I.—Land Revenue £	21,282,468	21,391,575	21,221,539	22,149,600	21,837,000	21,932,100
Shown under XXIX.—Irrigation £	1,538,245	1,684,374	1,667,864	1,742,900	1,734,000	1,693,700

EXPENDITURE.

Imperial.						
1. India General	3,99,524	4,06,460	4,11,539	4,15,000	4,13,000	4,12,000
2. Delhi	31,474	92,143	1,02,099	1,01,000	1,03,000	1,03,000
3. Baluchistan	2,43,275	2,34,196	2,29,749	1,99,000	2,35,000	2,05,000
4. North-West Frontier	6,11,662	6,20,763	6,48,563	6,97,000	6,55,000	6,89,000
5. Other Provinces	27,54,266	30,29,266	34,02,717	37,00,000	33,09,000	29,28,000
Total	40,40,201	43,82,828	47,94,667	51,12,000	47,15,000	43,37,000
Provincial.						
1. Madras	1,42,09,160	1,46,94,474	1,25,47,258	1,30,70,000	1,23,86,000	1,27,04,000
2. Bombay	84,24,139	84,71,319	89,04,087	90,20,000	89,50,000	89,85,000
3. Bengal	32,36,127	34,40,775	33,89,970	36,66,000	35,37,000	34,52,000
4. United Provinces	87,45,672	88,65,404	91,84,818	97,99,000	97,03,000	99,11,000
5. Punjab	47,73,501	49,09,849	49,87,071	52,90,000	50,34,000	51,44,000
6. Burma	69,33,737	70,06,631	68,14,945	73,45,000	70,87,000	69,55,000
7. Bihar and Orissa	23,51,303	24,53,629	24,69,531	25,10,000	23,58,000	24,37,000
8. Central Provinces	38,38,802	40,18,749	41,15,623	42,59,000	42,12,000	42,61,000
9. Assam	13,91,912	15,26,750	14,77,681	17,50,000	16,63,000	16,78,000
Total	5,39,54,353	5,53,87,580	5,38,90,984	5,67,09,000	5,49,30,000	5,55,27,000
TOTAL INDIA ₹	5,79,94,554	5,97,70,408	5,86,85,651	6,18,21,000	5,96,45,000	5,98,64,000
Equivalent in Sterling £	3,866,304	3,984,693	3,912,377	4,121,400	3,976,300	3,990,900
England £	1,725	1,729	1,641	1,300	1,400	1,600
TOTAL EXPENDITURE £	3,868,029	3,986,422	3,914,018	4,122,700	3,977,700	3,992,500

8. The Imperial expenditure shown against "Other Provinces" in the table at page 21 represents the cost of survey and record-of-right operations on a large scale in Bengal and in Bihar and Orissa, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces."

REVENUE.

(*a*) *Wholly Imperial.*

Revised, 1915-16.

9. The Revised estimate for 1915-16 is less than the Budget by R4·48 lakhs. There is a reduction of R4·17 lakhs in the recoveries of survey and settlement charges in Bengal owing to less rapid progress with the programme of operations; but, on the other hand, there is an increase of R1·50 lakhs in the receipts on the same account in Bihar and Orissa. There is also a decline in the Land Revenue collections in Baluchistan, Ajmer-Merwara and the North-West Frontier Province in consequence of unfavourable agricultural conditions.

Budget, 1916-17.

10. The Budget estimate for 1916-17 is taken at R17·79 lakhs more than the Revised for 1915-16. An increase of R17·03 lakhs is anticipated in the receipts on account of survey and settlement charges in Bengal and in Bihar and Orissa. Provision has also been made for a rise of R·66 lakh in Baluchistan on the basis of normal collections.

(*b*) *Divided and wholly Provincial.*

Revised, 1915-16.

11. The total collections in 1915-16 are likely to fall short of the Budget estimate by R43·74 lakhs. There will be a large deficiency of R22·65 lakhs in Bombay, due chiefly to scanty rainfall in Gujarat and low inundation in Sind and the grant of larger suspensions and remissions than were anticipated. There will also be shortages of R6·71 lakhs in the Punjab, R5·28 lakhs in the United Provinces, R2·31 lakhs in Bihar and Orissa and R1·86 lakhs in Assam, mostly in consequence of the damage done to the crops in certain districts by deficient or excessive rainfall; of R5·82 lakhs in the Central Provinces, due chiefly to the remission of certain outstanding arrears and to the postponement of the introduction of revised assessments in some of the districts; and of R3·06 lakhs in Madras and R1·01 lakhs in Burma owing mainly to improved collections in 1914-15 and a consequent reduction in the balance of the land revenue demand which remained outstanding at the end of that year. In Bengal alone, an improvement of R4·96 lakhs is expected over the Budget estimate, owing mainly to higher collections from Government estates in consequence of the improved prospects of the jute trade and to the sale of Government lands to the Calcutta Improvement Trust.

Budget, 1916-17.

12. The total Budget for 1916-17 is less than the Revised estimate for 1915-16 by R9·57 lakhs. The estimates have been framed as usual on the basis of normal monsoon conditions in the ensuing year. An important increase over the Revised estimate of the current year is assumed in Bombay (R24·21 lakhs) where provision has been made for the recovery of a large slice of the revenue suspended in previous years. A rise in revenue is also anticipated in Assam (R3·08 lakhs), Burma (R3·01 lakhs), Bihar and Orissa (R1·93 lakhs) and the Central Provinces (R1·29 lakhs) in consequence of growth in the revenue demand, the absence of remissions and suspensions required in the current year, and larger recoveries of outstanding arrears. On the other hand, the collections in 1916-17 are likely to fall short of those in the current year in the Punjab (R20·99 lakhs) and the United Provinces (R18·36 lakhs), where allowance has been made for remissions and suspensions necessitated by a deficiency in the winter rainfall of the current year; and in Bengal (R3·32 lakhs) and Madras (R·42 lakh) where the Budget provides generally for normal receipts.

EXPENDITURE.

(*a*) *Wholly Imperial.*

13. The saving of ₹3·97 lakhs in the Budget estimate of 1915-16 is chiefly due to lapses in the grant for survey and settlement expenditure in Bengal and Bihar and Orissa. The Budget estimate for 1916-17 has been taken at ₹3·78 lakhs less than the Revised for the current year. The reduction is wholly due to a smaller provision for the same item of expenditure in consequence of a curtailment of the programme of operations. *Revised, 1915-16.* *Budget, 1916-17.*

(*b*) *Provincial.*

14. The total expenditure in the current year will fall short of the Budget estimate by ₹17·79 lakhs. The reduction is distributed over all the provinces, considerable savings being expected in Madras (₹6·84 lakhs), Burma (₹2·58 lakhs) and the Punjab (₹2·56 lakhs). The improvement is generally due to a partial relaxation of the restrictions on the grant of leave out of India to members of the Indian Civil Service, the temporary transfer of several of these officers to military duty, and the curtailment of expenditure in view of the pressing need for economy. A portion of it is also derived from (1) larger recoveries in Madras from private estates for surveys made on their behalf; (2) the total or partial non-utilisation of lump provisions for the revision of certain establishments in Madras and the Punjab and for the creation of a new district in the latter province; and (3) the reversion to military duty of the junior military members of the Burma Commission.

15. The total Budget estimate for 1916-17 exceeds the Revised for 1915-16 by ₹5·97 lakhs. The increase is distributed over all the provinces with the exception of Bengal and Burma. Provision has generally been made on the basis of existing sanctions and commitments. Special allotments have been made in Madras for the revision of village establishments; in the United Provinces for the re-settlement of the Bulandshahr district and for the introduction of a further instalment of the scheme for the reorganisation of the cadre of deputy collectors; and in the Punjab for the payment of compensation in connection with the afforestation of certain tracts. *Budget, 1916-17.*

II AND 4.—OPIUM.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
INDIA.						
Revenue—						
Bengal—Sale of Opium	4,98,05,735	1,91,92,177	1,87,71,783	2,22,78,000	2,37,49,000	2,84,82,000
Bombay—Pass and Auction Fees	2,20,99,645	4,12,500	...	...	...	...
Excise Opium and other Revenue	49,63,493	47,68,501	48,11,491	46,92,000	45,57,000	58,22,000
TOTAL ₹	7,68,68,873	2,43,73,178	2,35,83,274	2,69,70,000	2,83,06,000	3,43,04,000
Equivalent in Sterling £	5,124,592	1,624,878	1,572,218	1,798,000	1,887,000	2,286,900
Expenditure—						
Purchase of Opium, including payments to Cultivators	76,70,577	1,39,32,608	85,79,357	1,23,91,000	1,53,44,000	1,30,06,000
Other Charges	13,20,747	12,42,832	12,27,924	12,97,000	12,30,000	12,95,000
TOTAL INDIA ₹	89,91,324	1,51,75,440	98,07,281	1,36,88,000	1,65,74,000	1,43,01,000
Equivalent in Sterling £	599,422	1,011,696	653,819	912,500	1,105,000	953,400
ENGLAND.						
Miscellaneous Charges £	307	744	270	400	700	500
TOTAL £	599,729	1,012,440	654,089	912,900	1,105,700	953,900
Statistics—						
Bengal—						
Chests sold { Certificated	4,690	...	...	...	...	...
Chests sold { Uncertificated	13,200	9,070	11,598	13,480	13,660	15,550
Average price { Certificated	₹5,098	...	...	...	...	...
Average price { Uncertificated	₹1,963	₹2,116	₹1,619	₹1,653	₹1,739	₹1,832
Chests produced	14,000	7,000	11,950	...	10,000	...
Chests in Balance, March 31	16,817	14,747	15,099	...	11,439	...
Reserve, December 31	6,118	11,117	6,219	4,611	4,889	...
Bombay—						
Chests passed for export	10,881	...	...	...	...	...
Rate of duty (Government share)	₹900	...	...	...	...	...
Government share of auction proceeds	₹1,18,02,000	...	...	...	...	...

REVENUE.

(*i*) *Bengal opium.*

16. The Budget estimate for 1915-16 provided for a revenue of ₹222·78 lakhs from the sale of 13,480 chests of Bengal opium, the bulk of which would be disposed of at the monthly auctions held at Calcutta while a certain number was to be supplied to the Government of the Straits Settlements or sold in England for medicinal purposes. 10,020 chests have been sold by public auction during the year and they have fetched a revenue of ₹172·24 lakhs, *i.e.*, an average of ₹1,719 a chest, the upset price having been raised from ₹1,600 to ₹1,800 a chest from 1st January 1916. Taking into account opium supplied to the Governments of Hong Kong and the Straits Settlements and sold in England for medicinal purposes, it is expected that about 13,660 chests will be disposed of in the current year, the proceeds amounting to ₹237·49 lakhs.

17. The Budget estimate for 1916-17 anticipates a revenue of ₹284·82 lakhs from a sale of about 15,600 chests of Bengal opium, of which about 9,840 chests will be sold by public auction and the balance will be supplied to the Governments of Hongkong and the Straits Settlements or sold in England for medicinal purposes. *Budget, 1916-17.*

(*ii*) *Excise opium and other revenue.*

18. The decline of ₹1·35 lakhs in the revenue in the current year, as compared with the Budget estimate, is mainly due to a heavier fall in the consumption of opium in Bengal than had been allowed for in the Budget. Only the amount charged to Local Governments on account of the cost of production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue. Owing to an increase in recent years in the price paid to cultivators for crude opium and to a rise in the charges of manufacture, it has been decided to raise the rate or cost price at which the opium is charged to Local Governments from ₹8·5 to ₹11 a seer, with effect from 1st April 1916. This accounts for the increase of ₹12·65 lakhs in revenue in the Budget for 1916-17 as compared with the Revised estimate for 1915-16. *Revised, 1915-16.* *Budget, 1916-17.*

EXPENDITURE.

19. The Revised estimate for 1915-16 exceeds the Budget provision by ₹28·90 lakhs. The increase is mainly due to additional purchases of Malwa opium undertaken towards the close of the current year. The Budget estimate for 1916-17 also includes a special provision for purchases in Malwa to supplement the supply of Bengal opium. *Revised, 1915-16.* *Budget, 1916-17.*

III AND 5.—SALT.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
REVENUE.						
Northern India (*a*)	1,19,34,460	1,19,33,135	1,56,28,033	1,00,00,000	1,35,00,000	1,33,30,000
Madras (*a*)	1,10,73,645	1,11,65,670	1,17,06,298	1,16,30,000	1,12,97,000	1,28,30,000
Bombay (*a*)	1,30,00,514	1,33,12,469	1,49,70,019	1,30,00,000	1,29,00,000	1,56,30,000
Bengal (*b*)	1,18,35,280	1,30,41,436	1,40,25,260	1,32,00,000	1,27,57,000	1,57,22,000
Burma (*b*)	21,19,131	22,24,656	23,29,911	22,00,000	19,01,000	23,00,000
Bihar and Orissa	1,329	1,314	1,471	1,000	1,000	1,000
Assam	1,246	897	849	1,000	1,000	1,000
TOTAL ₹	5,00,15,605	5,16,79,577	5,86,61,841	5,00,32,000	5,23,57,000	5,98,14,000
Equivalent in Sterling £	3,334,374	3,445,305	3,910,790	3,335,400	3,490,500	3,987,600
CHARGES.						
Establishment charges	43,04,413	43,77,303	43,17,603	44,53,000	44,68,000	45,26,000
Cost of salt purchased by Government	12,95,619	10,91,399	10,64,773	13,99,000	12,61,000	14,51,000
Total India ₹	56,00,032	54,68,702	53,82,376	58,52,000	57,29,000	59,77,000
Equivalent in Sterling £	373,335	364,580	358,825	390,100	381,900	398,500
England £	673	793	1,692	900	2,500	1,000
TOTAL £	374,008	365,373	360,517	391,000	384,400	399,500
Total Consumption Mds.	4,72,63,000	4,83,05,000	5,13,28,000	4,65,00,000	4,83,92,000	4,66,00,000

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported Salt.

REVENUE.

Revised, 1915-16.

20. The Revised estimate for 1915-16 exceeds the Budget by ₹23·25 lakhs. The increase is mostly due to speculative clearances in January and February in the expectation of an enhancement of the salt duty.

Additional taxation.

21. It has been decided to raise, with effect from the 1st March 1916, the duty on imported salt, and on locally produced salt generally, from ₹1 to ₹1¼ a maund. The duty on Mandi salt will be raised proportionately from 3 annas to 3¾ annas a maund; but no change will be made for the present in the duty (1) on salt locally manufactured in Aden and locally consumed or exported by land, and (2) on salt locally manufactured in Burma, the question of enhancement of the duty on the latter being reserved for separate consideration.

Budget, 1916-17.

22. In view of the speculative clearances in the current year, and the enhancement of duty, the total issues of salt in 1916-17 have been taken at a moderate figure of 466 lakhs of maunds. Owing to the operation of the credit system of payment of duty, the revenue to be realised in 1916-17 will however consist of (1) duty mostly at the old rate on about 110 lakhs of maunds of salt cleared in 1915-16, (2) duty at the enhanced rate on 356 lakhs of maunds to be cleared in 1916-17, and (3) sale proceeds of Government salt and other miscellaneous receipts aggregating about ₹43 lakhs. The Budget estimate of revenue for 1916-17 has accordingly been placed at ₹598·14 lakhs.

EXPENDITURE.

Revised, 1915-16.

23. The Revised estimate for the current year is less than the Budget by ₹·99 lakh. The decrease is mainly due to a lapse in the grant for the purchase of salt from private manufacturers in Madras.

Budget, 1916-17.

In the Budget estimate for 1916-17, provision has been made for the charges of sanctioned establishments, and for a larger outlay on the local manufacture of salt in Madras in consequence of a shortage in the Government stocks.

IV AND 6.—STAMPS.

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	4,20,034	4,46,004	4,30,499	4,34,000	4,34,000	4,36,000
2. Delhi	1,44,745	3,06,098	3,26,745	3,18,000	3,38,000	3,29,000
3. Baluchistan	90,039	99,961	87,078	93,000	87,000	85,000
4. North-West Frontier	5,89,353	6,67,211	6,19,027	6,10,000	6,67,000	6,84,000
TOTAL	12,44,171	15,19,274	14,63,349	14,55,000	15,26,000	15,35,000
Divided.						
1. Madras	1,36,15,386	1,41,67,616	1,38,98,284	1,38,50,000	1,51,00,000	1,55,00,000
2. Bombay	82,07,019	88,79,758	80,59,237	81,00,000	84,00,000	84,00,000
3. Bengal	2,07,43,853	2,19,10,831	2,02,68,265	2,03,00,000	2,22,00,000	2,24,00,000
4. United Provinces	1,14,90,127	1,19,51,748	1,18,18,155	1,20,00,000	1,25,50,000	1,27,50,000
5. Punjab	55,23,437	56,24,557	54,38,062	56,00,000	57,50,000	58,00,000
6. Burma	36,07,651	36,19,029	34,28,201	33,50,000	35,50,000	36,00,000
7. Bihar and Orissa	65,88,385	67,62,790	68,04,228	68,00,000	67,20,000	67,80,000
8. Central Provinces	37,14,485	39,39,587	36,21,293	36,51,000	39,75,000	40,00,000
9. Assam	13,02,212	13,99,197	14,31,576	15,00,000	14,46,000	14,92,000
TOTAL	7,47,92,555	7,82,55,113	7,47,67,301	7,51,51,000	7,96,91,000	8,07,22,000
TOTAL REVENUE ₹	7,60,36,726	7,97,74,387	7,62,30,650	7,66,06,000	8,12,17,000	8,22,57,000
Distribution of Total Revenue :—						
Court Fees and Plain Paper	5,06,05,217	5,27,70,185	5,24,85,951	5,24,59,000	5,55,57,000	5,64,15,000
Commercial and other stamps	2,43,06,491	2,56,19,186	2,31,20,128	2,29,52,000	2,44,53,000	2,46,55,000
Other Revenue	11,25,018	13,85,016	6,24,571	11,95,000	12,02,000	11,87,000
Equivalent of total revenue in Sterling £	5,069,115	5,318,293	5,082,043	5,107,100	5,414,500	5,483,800

EXPENDITURE.

Imperial.						
1. India General :—						
(*i*) Superintendence and other charges	2,79,790	2,51,270	2,38,454	2,48,000	2,23,000	2,26,000
(*ii*) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments.	—17,65,054	—17,15,604	—15,06,504	—16,33,000	—15,51,000	—16,32,000
2. Delhi	3,875	6,659	5,931	7,000	6,000	6,000
3. Baluchistan	1,393	1,432	1,256	1,000	1,000	1,000
4. North-West Frontier	22,966	26,391	22,608	24,000	25,000	24,000
TOTAL	—14,57,030	—14,29,852	—12,38,255	—13,53,000	—12,96,000	—13,75,000
Divided.						
1. Madras	4,95,075	4,46,089	4,33,776	4,64,000	4,22,000	4,24,000
2. Bombay	2,39,063	2,45,299	2,37,489	2,43,000	2,46,000	2,46,000
3. Bengal	7,07,370	7,23,132	6,22,265	6,05,000	6,30,000	6,96,000
4. United Provinces	2,90,303	3,16,617	2,42,781	2,51,000	2,54,000	2,57,000
5. Punjab	1,82,948	1,91,685	1,71,110	1,91,000	1,74,000	1,74,000
6. Burma	1,02,919	1,01,592	91,573	1,08,000	94,000	95,000
7. Bihar and Orissa	2,12,628	2,15,483	2,19,626	1,96,000	2,23,000	2,30,000
8. Central Provinces	1,24,034	1,29,551	1,11,528	1,30,000	1,19,000	1,25,000
9. Assam	54,143	59,385	64,062	53,000	63,000	63,000
TOTAL	24,08,483	24,28,831	21,94,210	22,41,000	22,25,000	23,, 0,000
TOTAL INDIA ₹	9,51,453	9,98,979	9,55,955	8,88,000	9,29,000	9,35,000
Equivalent in Sterling £	63,430	66,598	63,730	59,200	61,900	62,300
England £	90,468	106,545	56,133	92,000	94,000	89,900
TOTAL EXPENDITURE £	153,898	173,143	119,863	151,200	155,900	152,200

REVENUE.

(*a*) *Wholly Imperial.*

Revised, 1915-16. 24. The Revised estimate for 1915-16 exceeds the Budget by R·71 lakh. The bulk of the improvement occurs in the revenue from judicial stamps in the North-West Frontier Province. *Budget, 1916-17.* The Budget for 1916-17 does not differ materially from the Revised estimate of the current year.

(*b*) *Divided.*

Revised, 1915-16. 25. The total Revised for 1915-16 is R45·40 lakhs higher than the Budget estimate. The latter provided for a moderate growth only on the revenue of the preceding year, in view of the uncertainty as to the effects of the war on trade and litigation generally. There has, however, been a partial revival of internal trade and business in most of the provinces; and the improvement in Stamp revenue is shared by all of them with the exception of Bihar and Orissa and Assam. Of the total rise of about R45 lakhs, R30 lakhs are expected in the revenue from court-fee stamps, and R15 lakhs in that derived from non-judicial stamps.

Budget, 1916-17. 26. The Budget for 1916-17 provides for a further moderate growth in revenue in almost all the provinces, and is taken at R10·31 lakhs higher than the Revised estimate for 1915-16.

EXPENDITURE.

27. The cost of all stamps and stamp paper supplied from England is charged under this head, and an adjustment is made in India transferring to Posts and Telegraphs the cost of stamps used for postal and telegraph purposes. Similarly the cost of revenue stamps supplied to Local Governments and Administrations is debited to them in the Provincial section of the accounts by *per contra* credit in the Imperial section under this head. The credits on both these accounts are shown against item 1 (*ii*) under expenditure in the table on page 27.

(*a*) *Wholly Imperial* (*including outlay in England*).

Revised, 1915-16. 28. The Revised estimate for 1915-16 exceeds the Budget by R·87 lakh; *Budget, 1916-17.* and the Budget for 1916-17 is R1·41 lakhs less than the Revised estimate for the current year. These variations occur mostly in the credits mentioned in paragraph 27 and in the outlay in England on the purchase of stamps.

(*b*) *Divided.*

Revised, 1915-16. 29. The Revised estimate for 1915-16 does not differ materially from the *Budget, 1916-17.* Budget. The increase in expenditure provided in the Budget for 1916-17 is a necessary concomitant of the growth in revenue.

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	16,15,369	16,52,238	16,12,055	15,87,000	16,32,000	16,00,000
2. Delhi	1,32,024	2,70,569	2,73,857	2,95,000	2,68,000	2,58,000
3. Baluchistan	2,79,253	2,79,743	2,91,632	2,65,000	2,98,000	3,13,000
4. North-West Frontier	4,04,055	3,50,113	3,54,363	3,33,000	3,39,000	3,19,000
Total	24,30,701	25,52,663	25,31,977	24,80,000	25,37,000	24,90,000
Divided and wholly Provincial.						
1. Madras	3,31,86,831	3,65,11,075	3,66,18,734	3,64,00,000	3,51,00,000	3,55,35,000
2. Bombay	2,12,27,132	2,22,59,446	2,20,07,779	2,16,00,000	2,23,00,000	2,22,00,000
3. Bengal	1,37,59,045	1,53,88,578	1,53,74,624	1,60,00,000	1,50,00,000	1,50,50,000
4. United Provinces	1,25,95,095	1,33,03,687	1,24,44,302	1,25,00,000	1,22,00,000	1,23,90,000
5. Punjab	70,11,862	69,13,580	69,21,307	70,45,000	68,50,000	63,64,000
6. Burma	81,15,928	83,42,572	88,94,183	78,10,000	80,75,000	81,95,000
7. Bihar and Orissa	1,03,85,670	1,12,60,115	1,15,93,047	1,19,00,000	1,09,00,000	1,06,28,000
8. Central Provinces	1,06,04,485	1,16,24,099	1,10,55,162	1,06,16,000	98,60,000	1,00,00,000
9. Assam	48,52,038	52,58,690	54,12,099	55,03,000	53,71,000	54,18,000
Total	12,17,38,086	13,08,61,842	13,03,21,237	12,93,74,000	12,56,56,000	12,57,80,000
TOTAL REVENUE ₹	12,41,68,787	13,34,14,505	13,28,53,214	13,18,54,000	12,81,93,000	12,82,70,000
Equivalent in Sterling £	8,277,919	8,894,300	8,856,881	8,790,300	8,546,200	8,551,300

EXPENDITURE.

Imperial.						
1. India General	98,244	98,545	98,509	1,04,000	97,000	1,05,000
2. Delhi	2,380	6,232	6,283	7,000	9,000	10,000
3. Baluchistan	12,814	11,655	11,644	15,000	12,000	13,000
4. North-West Frontier	13,372	12,929	13,244	23,000	17,000	18,000
Total	1,26,810	1,29,361	1,29,680	1,49,000	1,35,000	1,46,000
Divided and wholly Provincial.						
1. Madras	18,16,745	18,20,840	18,33,739	19,16,000	18,67,000	18,76,000
2. Bombay	10,79,785	10,85,613	11,43,213	11,72,000	11,72,000	11,26,000
3. Bengal	5,97,657	6,25,743	7,17,585	8,02,000	8,03,000	8,39,000
4. United Provinces	4,11,688	4,34,532	4,60,058	4,82,000	4,88,000	5,02,000
5. Punjab	1,85,191	1,85,580	2,15,338	2,49,000	2,39,000	2,60,000
6. Burma	12,59,119	12,68,898	12,77,533	13,00,000	12,53,000	12,66,000
7. Bihar and Orissa	5,20,700	5,50,017	5,65,501	6,19,000	5,89,000	6,28,000
8. Central Provinces	3,18,868	3,46,508	4,25,345	5,71,000	5,02,000	5,64,000
9. Assam	1,11,964	1,14,400	1,22,192	1,18,000	1,23,000	1,23,000
Total	63,01,717	64,32,131	67,60,504	72,29,000	70,36,000	71,84,000
Total India ₹	64,28,527	65,61,492	68,90,184	73,78,000	71,71,000	73,30,000
Equivalent in Sterling £	428,568	437,433	459,346	491,900	478,100	488,700
England £	3	96	339	200	600	200
TOTAL EXPENDITURE £	428,571	437,529	459,685	492,100	478,700	488,900

REVENUE.

(a) *Wholly Imperial.*

30. The figures do not show any important variation. The Budget estimate for 1916-17 provides for R·20 lakh of extra revenue which is likely to be obtained in Baluchistan from the enhancement in taxation referred to in paragraph 32.

(b) *Divided and wholly Provincial.*

Revised, 1915-16.

31. The set-back in prosperity caused by the war, the unfavourable conditions of agriculture, and the high prices of food grains have depressed the Excise revenue in 1915-16 more heavily than had been allowed for in the Budget estimate; and the Revised estimate is less than the Budget by R37·18 lakhs. The decline is shared by all the provinces excepting Bombay and Burma, where some improvement is expected.

Budget, 1916-17.

32. The total Budget for 1916-17 exceeds the Revised estimate for 1915-16 by R1·24 lakhs. An additional revenue of R2·80 lakhs is expected from the enhancement in taxation which Local Governments will enforce as a corollary to the increased tariff rates on beer and spirits, the amount being distributed as shown below:—

Madras	·35	lakhs.
Bengal	·50	„
United Provinces	·40	„
Punjab	1·10	„
Burma	·45	„
	2·80	„

Otherwise, the estimates allow generally for a continuance of the adverse conditions created by the war; and in the Punjab a decline of about R6 lakhs, as compared with the probable collections in 1915-16, has been assumed in view of the failure of the winter rains in the current year.

EXPENDITURE.

(a) *Wholly Imperial.*

33. The figures show little variation.

(b) *Divided and wholly Provincial.*

Revised, 1915-16.

Budget, 1916-17.

34. The expenditure in 1915-16 is expected to fall short of the Budget by R1·93 lakhs owing to lapses in grants in several provinces. The Budget estimate for 1916-17 provides generally for normal charges of sanctioned establishments. Provision has been made in Bihar and Orissa and in the Central Provinces for a contemplated revision of the excise staff.

VI AND 8.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General	14,144	2,777	310	1,000	1,000	1,000
2. Delhi	...	411	681	...	...	...
3. North-West Frontier.	2,279	2,777	2,897	2,000	4,000	2,000
TOTAL	16,423	5,965	3,888	3,000	5,000	3,000
Provincial.						
1. Bengal	32,02,152	1,31,340	1,70,453	1,10,000	2,25,000	1,04,000
2. United Provinces	23,68,383	23,65,542	2,27,357	1,64,000	1,67,000	1,55,000
3. Punjab	36,171	20,572	39,442	31,000	31,000	29,000
4. Bihar and Orissa	26,49,800	1,67,953	1,25,559	1,37,000	1,50,000	1,20,000
5. Assam	9,300	11,782	15,512	15,000	12,000	15,000
TOTAL	82,65,806	26,97,189	5,78,323	4,57,000	5,85,000	4,23,000
TOTAL REVENUE R	82,82,229	27,03,154	5,82,211	4,60,000	5,90,000	4,26,000
Equivalent in Sterling £	552,149	180,210	38,814	30,600	39,300	28,400

EXPENDITURE.

Provincial.						
1. Bengal	39,209	...	...	...	...	...
2. Bihar and Orissa	33,668	...	...	...	...	...
TOTAL EXPENDITURE R	72,877	...	...	...	...	...
Equivalent in Sterling £	4,859	...	...	...	...	...

Imperial.

35. The figures show little variation.

Provincial.

36. The Revised estimate for 1915-16 exceeds the Budget by R1·28 lakhs. The increase is mainly due to the recovery in Bengal of arrears of the public works cess which remained outstanding on the 31st March 1913, when the revenue was surrendered to district boards. The Budget estimate for 1916-17 provides for normal collections in the various provinces.

Revised, 1915-16.

Budget, 1916-17.

VII AND 9—CUSTOMS.

SEA CUSTOMS.	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
IMPORTS.						
Special Import Duties.						
1. Arms, Ammunition, and Military Stores	6,30,051	6,63,892	5,34,491	5,00,000	5,50,000	8,19,000
2. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented Liquors	8,85,778	8,72,629	6,73,587	7,00,000	5,37,000	7,00,000
(b) Spirits and Liqueurs	1,11,31,614	1,19,12,502	1,10,41,004	1,04,00,000	1,06,55,000	1,19,00,000
(c) Wines	5,80,074	5,82,933	4,54,114	4,00,000	4,60,000	5,20,000
3. Opium	6,940	6,791	4,151	6,000	5,000	6,000
4. Petroleum	70,26,071	70,53,109	85,72,342	80,00,000	71,25,000	70,00,000
5. Silver, Bullion and Coin	1,08,46,213	99,24,998	1,54,51,014	1,00,00,000	1,00,00,000	90,00,000
6. Sugar (countervailing duties, 1899)	10,911	...	...	...	...	...
7. Tobacco	27,41,875	29,29,526	26,78,335	26,00,000	28,37,000	32,55,000
General Import Duties.						
8. Articles of Food and Drink (excluding Sugar)	29,14,071	30,43,837	29,17,941	28,50,000	31,50,000	42,60,000
9. Sugar (ordinary duties)	73,20,846	92,33,103	43,97,167	40,00,000	60,18,000	1,26,00,000
10. Chemicals, Drugs, Medicines and Dyeing and Tanning Materials	18,48,035	18,41,175	13,71,377	12,00,000	14,91,000	19,00,000
11. Cotton Manufactures	1,92,35,646	2,12,94,239	1,53,57,474	1,40,00,000	1,32,25,000	1,20,00,000
12. Metals and Manufactures of Metals other than Silver	53,26,262	73,29,237	49,22,511	45,00,000	36,04,000	46,50,000
13. Oils (excluding Petroleum)	1,61,715	1,95,833	1,69,889	1,89,000	1,84,000	2,40,000
14. Manufactured Articles	1,39,04,305	1,53,40,176	1,07,74,616	1,00,00,000	1,21,01,000	1,58,50,000
15. Raw Materials and Unmanufactured Articles	16,57,950	13,77,488	13,60,083	13,00,000	13,89,000	18,20,000
16. Articles now free	...	...	...	...	2,00,000	24,00,000
TOTAL IMPORTS	8,62,28,357	9,36,01,868	8,06,80,096	7,06,45,000	7,35,31,000	8,89,20,000
17. EXCISE DUTY ON COTTON GOODS	56,15,711	54,38,863	49,40,931	50,00,000	47,50,000	45,00,000
18. EXPORT DUTIES—						
(a) Rice	1,47,52,506	1,28,75,686	82,97,881	1,20,00,000	75,37,000	70,00,000
(b) Jute, raw and manufactured	...	...	...	...	...	87,00,000
(c) Tea	...	...	...	...	1,50,000	45,00,000
19. LAND CUSTOMS AND MISCELLANEOUS	13,61,856	14,56,885	12,89,102	15,00,000	14,12,000	18,50,000
GRAND TOTAL ₹	10,79,58,430	11,33,73,302	9,52,08,010	8,91,45,000	8,73,80,000	11,54,70,000
Equivalent in Sterling £	7,197,229	7,558,220	6,347,201	5,943,000	5,825,400	7,698,000
CHARGES ₹	38,56,892	39,12,274	39,54,820	41,33,000	39,65,000	40,59,000
Equivalent in Sterling £	257,126	260,818	263,655	275,500	264,300	270,600
England £	162	434	624	300	300	100
TOTAL £	257,288	261,252	264,279	275,800	264,600	270,700

REVENUE.

Additional taxation.

37. It has been decided to enhance, with effect from the 1st March 1916, the customs duties now levied on certain articles and to impose duties on others which are now exempt from the payment of customs revenue. The principal

changes proposed, and the amount of revenue expected therefrom in the two years 1915-16 and 1916-17, are shown in the following table :—

[Thousands of Rs.]

Items.	Change proposed.	Yield of additional taxation included in	
		Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
I.—Special import duties.			
(1) Arms and ammunition	To be doubled, *i.e.*, raised to 20 per cent *ad valorem*	15	2,84
(2) Liquors—			
(*a*) Ale, beer, etc.	To be raised by 50 per cent, *i.e.*, to 4½ annas per gallon	15	1,78
(*b*) Spirits and liqueurs	To be raised by 20 per cent, *i.e.*, to ₹11½ per proof gallon in the case of potable spirits and all spirits tested; and by 50 per cent, *i.e.*, to 7½ per cent *ad valorem* in the case of denatured spirits; with special rates for liqueurs, cordials and toilet preparations untested and perfumed spirits	1,10	14,00
(*c*) Wines	To be raised by 16⅔ per cent, *i.e.*, to ₹1⅔ per gallon for still wines and ₹4⅔ per gallon for other classes	...	60
(3) Tobacco	The quantitative rate on cigars and cigarettes to be replaced by an *ad valorem* rate of 50 per cent; and the rate on manufactured tobacco, other sorts, to be raised from ₹1⅛ to ₹1⅓ per lb.	37	4,55
II.—General import duties.			
(1) Articles of food and drink (excluding sugar)	To be raised by 50 per cent, *i.e.*, to 7½ per cent *ad valorem*	88	10,60
(2) Sugar	To be raised by 100 per cent, *i.e.*, to 10 per cent *ad valorem*	4,90	59,00
(3) Chemicals, drugs, etc.	To be raised by 50 per cent, *i.e.*, to 7½ per cent *ad valorem*	41	5,00
(4) Metals (excluding silver bullion and coin) and manufactures thereof.	To be raised generally by 50 per cent, *i.e.*, to 7½ per cent *ad valorem*, the duty on iron and steel being raised from 1¼ to 2½ per cent *ad valorem*	1,04	12,50
(5) Oils (excluding petroleum)	To be raised generally by 50 per cent, *i.e.*, to 7½ per cent *ad valorem*	5	58
(6) Manufactured articles	Ditto ditto	3,80	42,50
(7) Raw materials and unmanufactured articles	Ditto ditto	39	4,70
(8) Articles now free—			
(*a*) Grain and pulse; tea chests and lead sheets used in their manufacture and tea racks; firewood; printing and lithographing materials; machinery other than cotton spinning and weaving machinery; railway material; and ships	To be taxed at 2½ per cent *ad valorem*	2,00	24,00
(*b*) Coal, coke and fuel	To be taxed at 8 annas per ton		
(*c*) Fresh fruits, vegetables, fishmaws, bamboos, bristles and fibres, horn, raw jute, oilcakes, plants, precious stones and pearls, gum olibanum, motor cars for goods, earth, common clay and sand	To be taxed at 7½ per cent *ad valorem*		
III.—Export duties.			
(1) Tea†	To be taxed at ₹1½ per 100 lbs.	150	45,00
(2) Jute, raw†	To be taxed at ₹2½ per bale of 400 lbs., with special rates for cuttings and rejections.	...	87,00
„ manufactures†	To be taxed at ₹10 per ton for sacking and ₹16 per ton for hessians.*		
IV.—Land customs	Equivalent changes	37	4,50
	Total	17,11	3,19,15

* Exports under specific demand from His Majesty's Government will be exempted.

† All forward contracts entered into before 1st March will be exempted.

In calculating the yield of the additional taxation, due allowance has been made for a possible contraction in imports consequent on the enhancement of existing duties and the imposition of duties on articles which have hitherto been free.

Revised, 1915-16.

38. Apart from the yield of the additional duties, the Revised estimate of Customs revenue in 1915-16 amounts to R856·69 lakhs or R34·76 lakhs less than the Budget estimate. The latter provided for a substantial decline of revenue as compared with the actuals for 1914-15, so as to allow for the effects of war conditions throughout the year; but the fall under some of the tariff heads has been more serious than was anticipated. The largest deficiency occurs under the duty on the export of rice (R44·63 lakhs), which has declined heavily owing to the closure of the trade with the enemy countries, the absence of increased demands from other foreign markets, and a large demand for Burma rice for internal consumption in India. Considerable shortages are also anticipated under metals (other than gold and silver) and manufactures thereof (R10 lakhs), petroleum (R8·75 lakhs) and import duty on cotton manufactures (R7·75 lakhs); but these and also the less important losses under some of the other tariff heads will be more than counterbalanced by substantial improvements under manufactured articles (R17·21 lakhs), sugar (R15·28 lakhs) and by smaller increases under a few other heads.

Budget, 1916-17.

39. On the existing basis of taxation, the Budget estimate of Customs revenue in 1916-17 is taken at R835 55 lakhs or R21·14 lakhs less than the Revised estimate for 1915-16 calculated on the same basis. It is assumed that, but for the enhancement of taxation proposed, the revenue under several of the tariff heads in 1916-17 would be practically the same as in the current year, the important variations being as follows:—

(1) A decrease of R12·25 lakhs under import duty on cotton manufactures, of R10 lakhs under silver, of R5·37 lakhs under export duty on rice, and of R2·50 lakhs under excise duty on cotton goods.

(2) An increase of R11·72 lakhs under sugar, with reference to the new tariff valuation which came into force from January 1916, and which is based on the high prices that have ruled since the outbreak of the war.

EXPENDITURE.

Revised, 1915-16.

Budget, 1916-17.

40. A saving of R1·68 lakhs is expected in the Budget provision for the current year, owing mainly to lapses in grants and a reduction in the payments of overtime allowances consequent on the slackness of the import trade. The Budget estimate for 1916-17 provides for normal charges of sanctioned establishments.

VIII AND 10.—INCOME TAX.

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General (Civil) .	9,05,684	8,92,706	9,38,178	9,83,000	9,89,000	14,91,000
2. Delhi (Civil) . .	1,02,071	2,13,430	2,57,998	1,98,000	1,63,000	2,14,000
3. Baluchistan (Civil) .	20,910	21,089	22,019	21,000	22,000	22,000
4. North-West Frontier (Civil) . . .	1,45,141	1,52,860	1,66,139	1,56,000	1,66,000	2,18,000
5. Other Provinces (Civil) . . .	36,199	20,355	31,948	22,000	19,000	18,000
6. Non-Civil Departments . . .	14,86,598	15,11,918	14,91,447	15,39,000	13,98,000	19,91,000
Total .	26,96,603	28,12,358	29,07,729	29,19,000	27,57,000	39,54,000
Divided.						
1. Madras . . .	34,81,236	37,47,460	40,28,350	38,70,000	39,70,000	52,20,000
2. Bombay . . .	57,48,762	66,91,205	68,68,409	60,76,000	72,50,000	1,05,30,000
3. Bengal . . .	55,51,652	66,37,916	69,84,610	61,00,000	68,00,000	1,06,80,000
4. United Provinces .	25,18,527	26,79,138	26,36,028	25,53,000	28,28,000	36,78,000
5. Punjab . . .	16,90,367	17,19,918	17,88,307	17,10,000	18,30,000	23,40,000
6. Burma . . .	19,79,460	22,90,649	25,46,145	22,50,000	24,80,000	36,80,000
7. Bihar and Orissa .	13,26,240	13,85,293	14,24,225	14,50,000	13,80,000	18,80,000
8. Central Provinces .	7,41,260	8,62,741	9,08,909	8,32,000	9,45,000	11,33,000
9. Assam . . .	4,01,856	4,27,067	4,58,287	4,14,000	4,84,000	5,97,000
Total .	2,34,39,360	2,64,41,387	2,76,43,270	2,52,55,000	2,79,67,000	3,97,38,000
TOTAL REVENUE R .	2,61,35,963	2,92,53,745	3,05,50,999	2,81,74,000	3,07,24,000	4,36,92,000
Equivalent in Sterling £	1,742,397	1,950,250	2,036,733	1,878,300	2,048,300	2,912,800

EXPENDITURE.

Imperial.						
1. India General . .	1,410	1,566	1,320	2,000	2,000	2,000
2. Delhi . . .	393	1,108	1,413	1,000	1,000	1,000
3. North-West Frontier	1,164	958	916	1,000	1,000	1,000
Total .	2,967	3,632	3,649	4,000	4,000	4,000
Divided.						
1. Madras . . .	36,996	39,175	41,221	57,000	61,000	64,000
2. Bombay . . .	1,20,490	1,45,318	1,65,847	1,74,000	1,74,000	1,84,000
3. Bengal . . .	1,52,937	1,54,577	1,54,085	1,52,000	1,54,000	1,52,000
4. United Provinces .	323	264	291	...	...	...
5. Punjab . . .	10,728	16,935	12,614	17,000	13,000	28,000
6. Burma . . .	45,248	46,539	46,554	49,000	47,000	48,000
7. Bihar and Orissa .	39,382	44,790	44,824	45,000	45,000	45,000
8. Central Provinces .	12,068	12,908	15,488	14,000	17,000	19,000
9. Assam . . .	4,670	4,663	4,821	5,000	5,000	5,000
Total .	4,22,842	4,65,169	4,85,745	5,13,000	5,16,000	5,48,000
TOTAL EXPENDITURE R	4,25,809	4,68,801	4,89,394	5,17,000	5,20,000	5,47,000
Equivalent in Sterling £	28,387	31,254	32,626	34,500	34,700	36,500

REVENUE.

(a) *Imperial.*

Revised, 1915-16. 41. The Revised estimate for 1915-16 falls short of the Budget by ₹1·62 lakhs. The decrease is mainly due to the non-recovery of the tax from the large body of military officers employed with the Indian Expeditionary Forces.

Budget, 1916-17. The Budget estimate for 1916-17 exceeds the Revised for 1915-16 by ₹11·97 lakhs, the increase representing wholly the yield of the additional taxation mentioned in paragraph 44.

(b) *Divided.*

Revised, 1915-16. 42. The revenue in the current year has not suffered so seriously from the effects of the war as was anticipated in the Budget estimate, and the Revised estimate exceeds the Budget by ₹27·12 lakhs. The improvement is distributed over all the provinces excepting Bihar and Orissa; but the bulk of it occurs naturally in Bombay and Bengal.

Budget, 1916-17. 43. On the existing basis of taxation, the Budget estimate for 1916-17 is taken at ₹274·38 lakhs, *i.e.*, ₹5·29 lakhs less than the Revised for 1915-16. The estimates for next year are generally based on the probable collections in the current year; in Bombay and Bengal, decreases of ₹4 lakhs and ₹2 lakhs respectively are expected as compared with the favourable collections of the current year, while some allowance has been made for a normal growth in the Punjab (₹·60 lakh) and the United Provinces (₹·50 lakh).

Additional taxation. 44. It has been decided to enhance, with effect from the 1st April 1916, the existing rates of income-tax to the extent indicated below:—

(1) Incomes from ₹5,000 to ₹9,999 a year will pay 6 pies in the rupee instead of 5 pies.

(2) Incomes from ₹10,000 to 24,999 a year will pay 9 pies in the rupee instead of 5 pies.

(3) Incomes of ₹25,000 a year and above will pay one anna in the rupee instead of 5 pies.

(4) The enhanced rates will apply generally to profits of companies and interest on securities, which will be taxed initially at the highest rate subject to abatement or reduction in the case of persons who can show that their total income is such as to warrant a lower rate of taxation or is below the taxable limit.

An extra sum of ₹123 lakhs is expected in 1916-17 from the additional tax (in addition to ₹12 lakhs which will be recorded in the accounts as wholly Imperial revenue), the amount being distributed as shown below:

	Lakhs of ₹.
Madras	12·50
Bombay	36·80
Bengal	40·80
United Provinces	8·00
Punjab	4·50
Burma	12·30
Bihar and Orissa	4·80
Central Provinces	2·30
Assam	1·00
Total	1,23·00

EXPENDITURE.

45. The figures show little variation.

IX AND 11.—FOREST.

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General	7,88,622	8,26,213	5,90,319	6,80,000	7,67,000	7,58,000
2. Baluchistan	20,158	19,987	19,058	21,000	21,000	20,000
3. North-West Frontier	2,37,183	2,66,741	2,38,013	2,36,000	2,08,000	2,21,000
Total	10,45,963	11,12,941	8,47,390	9,37,000	9,96,000	9,99,000
Provincial.						
1. Madras	41,12,474	42,00,320	39,41,537	41,25,000	40,00,000	39,50,000
2. Bombay	49,92,519	51,03,156	46,80,242	45,00,000	45,63,000	46,44,000
3. Bengal	16,00,601	16,16,111	13,04,496	14,50,000	11,25,000	11,50,000
4. United Provinces	35,43,963	37,12,487	31,35,235	40,91,000	36,48,000	40,33,000
5. Punjab	12,39,032	13,54,943	14,38,005	14,20,000	16,20,000	15,41,000
6. Burma	1,10,07,715	1,15,71,965	97,07,694	1,04,34,000	94,60,000	95,80,000
7. Bihar and Orissa	4,38,958	4,91,735	5,49,779	5,12,000	5,40,000	5,40,000
8. Central Provinces	31,71,815	31,86,454	32,72,529	31,00,000	32,00,000	32,00,000
9. Assam	11,42,091	10,97,969	8,32,877	11,68,000	10,83,000	10,90,000
Total	3,12,49,168	3,23,35,140	2,88,62,394	3,08,00,000	2,92,39,000	2,97,28,000
TOTAL INDIA ₹	3,22,95,131	3,34,48,081	2,97,09,784	3,17,37,000	3,02,35,000	3,07,27,000
Equivalent in Sterling £	2,153,009	2,229,872	1,980,652	2,115,800	2,015,600	2,048,500

EXPENDITURE.

Imperial.						
1. India General	8,53,535	9,12,162	9,28,367	12,20,000	10,60,000	10,36,000
2. Delhi	1,281	...	177	7,000	...	...
3. Baluchistan	28,526	25,310	25,000	30,000	28,000	30,000
4. North-West Frontier	1,22,173	1,31,023	1,25,593	1,21,000	1,13,000	1,19,000
Total	10,05,515	10,68,495	10,80,137	13,78,000	12,01,000	11,85,000
Provincial.						
1. Madras	31,50,482	29,35,817	28,60,685	30,50,000	29,48,000	28,82,000
2. Bombay	26,92,455	25,89,878	24,87,925	25,43,000	27,23,000	27,25,000
3. Bengal	6,60,794	6,40,157	6,70,935	6,66,000	6,20,000	6,54,000
4. United Provinces	16,29,262	18,96,014	23,17,740	29,94,000	27,08,000	29,23,000
5. Punjab	7,99,177	9,19,177	8,89,302	9,86,000	9,66,000	10,00,000
6. Burma	41,57,077	42,75,066	46,80,447	45,58,000	48,57,000	46,40,000
7. Bihar and Orissa	3,56,611	3,55,648	3,84,371	3,89,000	3,85,000	4,56,000
8. Central Provinces	19,46,735	19,53,129	19,36,569	18,85,000	17,80,000	19,17,000
9. Assam	8,08,910	9,10,240	8,98,339	8,62,000	8,33,000	7,81,000
Total	1,62,01,503	1,64,75,126	1,71,26,313	1,79,33,000	1,78,20,000	1,79,78,000
TOTAL INDIA ₹	1,72,07,018	1,75,43,621	1,32,06,450	1,93,11,000	1,90,21,000	1,91,63,000
Equivalent in Sterling £	1,147,134	1,169,575	1,213,763	1,287,400	1,268,000	1,277,500
England £	5,451	4,913	4,045	4,900	3,100	3,300
TOTAL EXPENDITURE £	1,152,585	1,174,488	1,217,808	1,292,300	1,271,100	1,280,800
NET REVENUE £	1,000,424	1,055,384	762,844	823,500	744,500	767,700

REVENUE.

(a) *Imperial.*

Revised, 1915-16. 46. The increase of R·59 lakh in the revenue in the current year, as compared with the Budget estimate, is mainly due to higher sales of sandalwood in Coorg and of padouk in Port Blair. The Budget estimate for 1916-17 does not differ materially from the Revised for 1915-16.

Budget, 1916-17.

(b) *Provincial.*

Revised, 1915-16. 47. The Revised estimate for 1915-16 is less than the Budget by R15·61 lakhs. There is a large decrease of R9·74 lakhs in Burma where the timber market has been disturbed in consequence of the war and the monthly auctions of Government timber at Rangoon have been restricted considerably so as avoid a heavy fall in prices. The slump in the timber market has affected the revenue in some of the other provinces also. On the other hand, an improvement is expected in the Punjab (R2 lakhs), owing to larger sales of trees and firewood in certain tracts, and to a smaller extent in the Central Provinces, in Bombay and in Bihar and Orissa.

Budget, 1916-17. 48. The estimates for 1916-17 are generally based on the revenue likely to to be realised in the current year. The total Budget exceeds the Revised by R4·89 lakhs only, the bulk of the increase being expected in the United Provinces (R3·85 lakhs) mainly in connection with a scheme for the supply of sleepers to State railways.

EXPENDITURE.

(a) *Imperial (including outlay in England).*

Revised, 1915-16. 49. The expenditure in 1915-16 is expected to fall short of the Budget grant by R2·04 lakhs, owing mainly to the non-utilisation of an allotment for the construction of quarters for students in the Forest College at Dehra Dun and to savings in other directions. The Budget estimate for 1916-17 does not differ materially from the Revised for 1915-16.

Budget, 1916-17.

(b) *Provincial.*

Revised, 1915-16. 50. The Revised estimate for 1915-16 is less than the Budget by R1·13 lakhs. The decrease is mainly due to a curtailment of expenditure on works which are not immediately remunerative, in pursuance of the policy of economy. It is shared by all the provinces with the exception of Bombay and Burma. In these two provinces, the expenditure will exceed the Budget provision by R1·80 lakhs and R2 99 lakhs, respectively, owing chiefly to outlay on famine fodder operations in Bombay, and the payment in Burma of certain charges connected with the purchase of elephants which were expected to be disbursed in 1914-15.

Budget, 1916-17. 51. The Budget estimate for 1916-17 exceeds the Revised estimate for the current year by R1·58 lakhs. There is an increase of R2·15 lakhs in the United Provinces, mainly in connection with the scheme for the supply of sleepers to State railways; and of R1·37 lakhs in the Central Provinces, due chiefly to the provision for certain urgent works. On the other hand, there is a decrease of R2·17 lakhs in Burma, owing to the absence of the payments made in the current year for the purchase of elephants. The estimates provide generally for the charges of sanctioned establishments and for normal working expenses, allotments for special outlay on the development of forests being restricted to measures which are urgent or are expected to prove immediately remunerative.

X AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General	26,587	25,538	21,238	20,000	20,000	21,000
2. Delhi	10,173	22,674	23,012	24,000	23,000	23,000
3. Baluchistan	3,394	3,096	3,072	3,000	3,000	3,000
4. North-West Frontier	40,818	44,958	44,404	44,000	44,000	44,000
Total	80,972	96,266	91,726	91,000	90,000	91,000
Provincial.						
1. Madras	22,58,265	23,58,537	22,43,183	23,60,000	23,00,000	24,00,000
2. Bombay	7,82,479	8,27,555	7,53,619	8,00,000	7,50,000	7,50,000
3. Bengal	18,23,161	20,16,144	18,12,868	19,00,000	20,00,000	20,50,000
4. United Provinces	6,53,893	7,04,603	6,87,167	7,37,000	7,40,000	7,10,000
5. Punjab	3,51,040	3,77,516	3,52,872	3,67,000	3,40,000	3,25,000
6. Burma	2,26,167	2,48,155	2,31,049	2,50,000	2,50,000	2,50,000
7. Bihar and Orissa	5,71,280	6,28,855	6,46,731	6,75,000	7,00,000	7,00,000
8. Central Provinces	3,89,805	4,18,084	3,47,873	4,00,000	3,64,000	3,65,000
9. Assam	93,275	1,08,711	1,12,335	1,15,000	1,14,000	1,19,000
Total	71,49,365	76,88,160	71,87,697	76,04,000	75,58,000	76,69,000
TOTAL INDIA ₹	72,30,337	77,84,426	72,79,423	76,95,000	76,48,000	77,60,000
Equivalent in Sterling £	482,022	518,962	485,295	513,000	509,900	517,400

EXPENDITURE.

Imperial.						
1. India General	9,044	9,341	8,090	7,000	9,000	8,000
2. Delhi	2,645	5,880	6,930	7,000	7,000	7,000
3. Baluchistan	1,262	1,061	1,358	1,000	1,000	1,000
4. North-West Frontier	10,743	11,195	12,124	12,000	13,000	12,000
Total	23,694	27,477	28,502	27,000	30,000	28,000
Provincial.						
1. Madras	12,46,045	12,68,755	12,73,585	13,00,000	12,62,000	12,67,000
2. Bombay	3,72,027	3,69,660	3,70,772	3,75,000	3,75,000	3,73,000
3. Bengal	10,50,903	11,26,558	11,17,210	11,23,000	11,22,000	11,09,000
4. United Provinces	2,80,523	2,89,214	2,93,128	3,10,000	3,12,000	3,10,000
5. Punjab	1,17,843	1,19,932	1,22,006	1,29,000	1,23,000	1,24,000
6. Burma	1,02,853	1,06,644	1,05,981	1,09,000	1,07,000	1,03,000
7. Bihar and Orissa	3,18,603	3,32,556	3,65,689	3,80,000	3,80,000	3,86,000
8. Central Provinces	1,29,522	1,32,386	1,28,308	1,35,000	1,24,000	1,28,000
9. Assam	55,970	58,611	64,513	74,000	65,000	71,000
Total	36,74,289	38,04,316	38,41,192	39,35,000	38,70,000	38,71,000
TOTAL INDIA ₹	36,97,983	38,31,793	38,69,694	39,62,000	39,00,000	38,99,000
Equivalent in Sterling £	246,532	255,453	257,980	264,100	260,000	259,900

REVENUE.

Imperial.

52. The figures show little variation.

Provincial.

Revised, 1915-16.

53. The total Revised estimate for 1915-16 does not differ materially from the Budget forecast. There is an improvement of ₹1 lakh in Bengal, where agricultural distress in certain districts has increased registrations; but it is more than counterbalanced by minor reductions in Madras, Bombay and certain other provinces. The estimates for 1916-17 are generally based on the revenue expected to be realised in 1915-16. The total Budget exceeds the Revised for the current year by ₹1·11 lakhs, owing mainly to provision for normal growth in Madras.

Budget, 1916-17.

EXPENDITURE.

54. The figures show little variation.

XI.—TRIBUTES.

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General .	20,68,974	19,61,417	18,81,572	20,02,000	19,88,000	20,09,000
2. Madras . .	44,96,519	44,96,519	44,96,519	44,97,000	44,97,000	44,97,000
3. Bombay . .	14,21,855	14,28,999	14,01,838	13,39,000	12,39,000	13,39,000
4. Bengal . . .	67,701	67,701	67,701	68,000	68,000	68,000
5. United Provinces .	3,28,777	3,21,000	3,21,000	3,21,000	3,21,000	3,21,000
6. Punjab . . .	1,41,874	1,45,391	1,43,824	1,44,000	1,44,000	1,44,000
7. Burma . . .	4,53,900	4,53,900	4,53,150	4,53,000	4,53,000	4,52,000
8. Bihar and Orissa .	85,500	85,499	85,500	86,000	86,000	86,000
9. Central Provinces .	2,37,937	2,42,687	2,46,187	2,39,000	2,32,000	2,39,000
10. Assam	50,100	50,100	50,100	50,000	50,000	50,000
TOTAL INDIA ₹ .	93,53,137	92,53,213	91,47,391	91,99,000	90,78,000	92,05,000
Equivalent in Sterling £	623,542	616,881	609,827	613,300	605,200	613,700

55. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. The figures do not ordinarily show any important fluctuations from year to year except for advance payment of sums falling due in the ensuing year, or arrears and their recovery. The Revised estimate for the current year is less than the Budget by ₹1·21 lakhs, the decrease being mainly due to the postponement of recoveries in Kathiawar in consequence of deficient rainfall. The Budget estimate for 1916-17 provides for normal receipts.

Revised, 1915-16.

Budget, 1916-17.

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General . .	43,974	50,921	67,324	81,000	93,000	80,000
2. Delhi . . .	3,174	8,999	12,696	9,000	9,000	12,000
3. Baluchistan . .	5,797	5,464	4,601	7,000	5,000	5,000
4. North-West Frontier	23,401	23,604	19,080	21,000	21,000	20,000
5. Other Provinces .	24,09,098	23,72,430	30,82,960	22,05,000	22,87,000	24,07,000
Total .	24,85,444	24,61,418	31,86,661	23,23,000	24,15,000	25,24,000
Divided and Provincial.						
1. Madras . . .	3,87,557	4,42,246	4,54,807	4,04,000	4,35,000	4,42,000
2. Bombay . . .	8,48,516	9,98,360	11,31,185	8,45,000	9,35,000	8,85,000
3. Bengal . . .	2,68,043	2,44,261	3,34,233	2,59,000	3,00,000	2,70,000
4. United Provinces .	2,02,662	2,48,369	2,78,336	2,57,000	2,50,000	2,68,000
5. Punjab . . .	1,91,639	1,82,367	1,97,841	1,93,000	1,70,000	1,87,000
6. Burma . . .	2,56,591	2,28,133	2,62,698	2,39,000	2,78,000	2,21,000
7. Bihar and Orissa .	1,11,886	1,21,767	1,03,961	1,05,000	97,000	93,000
8. Central Provinces .	81,517	82,636	1,01,329	83,000	1,21,000	97,000
9. Assam . . .	38,065	32,572	71,049	39,000	46,000	40,000
Total .	23,86,476	25,80,711	29,35,939	24,24,000	26,32,000	25,03,000
TOTAL INDIA R	48,71,920	50,42,129	61,22,600	47,47,000	50,47,000	50,27,000
Equivalent in Sterling £	324,795	336,142	408,173	316,500	336,500	335,100

(a) *Imperial.*

56. The wholly Imperial expenditure shown against "Other provinces" represents refunds and drawbacks in respect of wholly Imperial revenue (*e.g.*, Opium, Salt, Customs and Tributes). The increase of R·92 lakh in the Revised estimate over the Budget for 1915-16 is mainly due to larger issues of duty-free salt and to special remission of tributes in Burma. The Budget estimate for 1916-17 provides for normal charges.

Revised, 1915-16.

Budget, 1916-17.

(b) *Divided and Provincial.*

57. The expenditure fluctuates considerably from year to year, and is difficult to estimate. In 1915-16 the Budget will be exceeded by R2·08 lakhs, owing chiefly to higher refunds of excise revenue in several provinces. For 1916-17, a normal expenditure has been assumed.

Revised, 1915-16.

Budget, 1916-17.

2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General	31,93,559	31,87,947	32,33,328	31,97,000	33,36,000	32,25,000
2. Delhi	514	1,689	10,452	...	4,000	4,000
3. Baluchistan	2,02,348	2,01,407	2,04,716	2,02,000	2,02,000	2,02,000
4. North-West Frontier	19,307	17,736	18,212	18,000	18,000	18,000
5. Other Provinces	34,94,978	35,40,050	35,39,025	35,25,000	35,65,000	35,29,000
Total	69,10,706	69,48,329	70,05,733	69,42,000	71,25,000	69,78,000
Divided and Provincial.						
1. Madras	5,13,814	6,20,012	5,55,118	5,82,000	6,34,000	6,17,000
2. Bombay	1,01,33,011	1,03,54,269	1,05,67,450	1,11,25,000	1,09,59,000	1,09,86,000
3. Bengal	1,01,810	54,317	68,546	85,000	62,000	70,000
4. United Provinces	3,09,664	3,01,916	3,02,875	3,02,000	2,89,000	3,01,000
5. Punjab	70,827	81,372	73,646	75,000	74,000	73,000
6. Burma	200	415	400	1,000	1,000	1,000
7. Bihar and Orissa	1,06,023	1,46,784	1,07,905	1,06,000	1,09,000	1,09,000
8. Central Provinces	40,851	75,970	38,675	41,000	39,000	38,000
9. Assam	32,434	32,638	34,040	34,000	35,000	35,000
Total	1,13,08,634	1,16,67,683	1,17,48,655	1,23,51,000	1,22,02,000	1,22,30,000
TOTAL INDIA	1,82,19,340	1,86,16,512	1,87,54,388	1,92,93,000	1,93,27,000	1,92,08,000
Equivalent in Sterling £	1,214,623	1,241,101	1,250,292	1,286,200	1,288,500	1,280,600

(a) *Imperial.*

58. The wholly Imperial expenditure shown against "Other Provinces" represents Opium, Salt and Customs compensations paid to Native States and Foreign Governments, as well as Miscellaneous compensations (*i.e.*, those of a general character and not intended to indemnify against loss of a particular kind of revenue) in provinces other than Bombay. The variations between the Budget and Revised estimates of the current year, and between the latter and the Budget of next year are due to the fact that the salt royalty payable to Jaipur and Jodhpur, and the customs compensation payable to Travancore and Cochin, fluctuate respectively with reference to the actual sales of salt and the actual realisations of customs revenue.

(b) *Provincial.*

59. The Revised estimate for 1915-16 is less than the Budget by Rl·49 lakhs. The decrease is mainly due to the record under other heads of account of payments of *kadim* cash allowances in Bombay for which provision was made in the Budget under "Assignments and compensations." The Budget estimate for 1916-17 does not differ materially from the Revised for 1915-16. *Revised, 1915-16.* *Budget, 1916-17.*

XII.—INTEREST RECEIPTS.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. Interest on Imperial loans and advances . .	37,58,845	37,52,940	34,25,626	34,22,000	34,55,000	33,65,000
2. Profits of Paper Currency Circulation . .	34,70,420	34,70,420	34,70,420	34,70,000	34,70,000	34,70,000
3. Interest on overdrawn Capital of Railway Companies in India .	27,21,189	31,37,152	4,66,914	6,21,000	5,63,000	6,29,000
4. Interest charged to Capital on advances to Railway Companies .	7,80,536	5,13,168	66,523	8,000	40,000	9,000
5. Miscellaneous items .	1,13,474	3,48,583	3,50,620	4,46,000	3,18,000	2,45,000
TOTAL ₹	1,08,44,464	1,12,22,263	77,80,103	79,67,000	78,46,000	77,18,000
Provincial.						
1. Madras . . .	4,26,898	4,55,317	4,42,929	4,49,000	4,46,000	4,64,000
2. Bombay . . .	10,12,401	14,21,591	15,26,317	14,08,000	13,28,000	12,25,000
3. Bengal . .	5,00,713	4,29,999	4,14,486	5,29,000	5,36,000	6,54,000
4. United Provinces .	14,09,544	11,56,424	16,58,397	19,49,000	23,49,000	17,46,000
5. Punjab . . .	2,66,145	2,33,960	2,24,646	2,38,000	2,60,000	2,66,000
6. Burma . . .	1,50,845	1,42,937	1,30,615	1,59,000	1,42,000	1,61,000
7. Bihar and Orissa .	2,88,003	2,22,129	1,82,380	2,16,000	1,37,000	1,46,000
8. Central Provinces .	1,80,289	1,82,442	1,90,902	2,44,000	2,66,000	2,45,000
9. Assam . . .	13,336	24,239	66,896	65,000	55,000	1,12,000
TOTAL ₹	42,48,174	42,69,038	48,37,568	53,07,000	55,19,000	50,19,000
TOTAL INDIA ₹	1,50,92,638	1,54,91,301	1,26,17,671	1,32,74,000	1,33,65,000	1,27,37,000
Equivalent in Sterling £	1,006,176	1,032,754	841,178	884,900	891,000	849,100
ENGLAND.						
1. Profits of Paper Currency Circulation . . .	78,211	78,211	78,211	78,200	78,200	228,600
2. Interest realised from investment of Cash Balances .	372,170	205,689	79,969			
3. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government . .	16,852	35,183	23,656	94,000	126,000	94,200
4. Miscellaneous . .	299	282	293	....	800	3,400
TOTAL £	467,532	319,365	182,129	172,200	205,000	326,200
TOTAL RECEIPTS £	1,473,708	1,352,119	1,023,307	1,057,100	1,096,000	1,175,300
Loans and advances outstanding on 31st March:—						
1. Imperial . £	6,259,602	6,044,330	6,037,605	6,198,230	5,875,705	5,918,205
2. Provincial . £	5,894,614	6,687,516	7,025,402	6,403,516	6,864,002	6,426,902

(*a*) *India—Imperial.*

60. The Revised estimate for 1915-16 is less than the Budget by R1·21 lakhs, the decrease being mainly due to smaller receipts of interest in the Punjab in respect of the unpaid balance of the sale price of Government lands. *Revised, 1915-16.*

61. The total Budget for 1916-17 is taken at R1·28 lakhs less than the Revised estimate of the current year. The fall is mainly due to a decrease in the interest recoverable from Native States, consequent on a reduction in the outstanding balances of loans taken by them from Government. *Budget, 1916-17.*

(*b*) *India—Provincial.*

62. The Revised for 1915-16 is R2·12 lakhs higher than the Budget. An increase of R4 lakhs is expected in the United Provinces in consequence of a prompter recovery of arrears; but this will be counterbalanced partly by a fall of R·80 lakh in Bombay, and of R·79 lakh in Bihar and Orissa, owing to the deficient rainfall in certain tracts, and by smaller reductions in some of the other provinces. The Budget estimate for 1916-17 provides generally for normal recoveries based on the current demand. *Revised, 1915-16.* *Budget, 1916-17.*

(*c*) *England.*

63. The receipts in England in 1915-16 are likely to exceed the Budget estimate by £32,800 mainly owing to an increase in the interest realised from investment of the cash balances of the Home treasury, which have proved to be larger and have earned a higher rate of interest than was anticipated. The Budget estimate for 1916-17 shows a rise of £121,200 over the Revised for 1915-16. A sum of £150,400 will be obtained from the additional investment of £3 million of the Paper Currency Reserve made in the current year. On the other hand, there will be a reduction in the interest realised from the investment of the cash balances of the Home treasury, which are not expected to remain as high as in 1915-16. *Revised, 1915-16.* *Budget, 1916-17.*

13 AND 14.—INTEREST EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Interest on Debt other than that charged to Railways and Irrigation Works—						
Interest on total Debt—						
1. India ₹	4,98,01,687	5,13,24,328	5,54,05,204	5,89,00,000	5,74,00,000	5,80,25,000
1. India £	3,320,112	3,421,622	3,693,680	3,926,700	3,826,700	3,868,300
2. England £	6,203,996	5,912,796	6,077,903	6,092,300	6,182,200	6,088,700
Total £	9,524,108	9,334,418	9,771,583	10,019,000	10,008,900	9,957,000
Deduct amounts charged to—						
(*a*) Railways:						
(*i*) India ₹	*4,93,46,705*	*5,39,53,685*	*6,30,88,705*	*6,14,91,000*	*6,51,74,000*	*6,62,23,000*
(*i*) India £	*3,289,780*	*3,596,912*	*4,205,914*	*4,099,400*	*4,344,900*	*4,414,900*
(*ii*) England £	*3,782,768*	*3,706,233*	*3,706,300*	*3,666,300*	*3,731,800*	*3,733,800*
Total Railways £	*7,072,548*	*7,303,145*	*7,912,214*	*7,765,700*	*8,076,700*	*8,148,700*
(*b*) Irrigation:						
(*i*) India ₹	*1,73,66,737*	*1,77,92,499*	*1,92,62,258*	*1,95,16,000*	*2,00,62,000*	*2,07,28,000*
(*i*) India £	*1,157,783*	*1,186,167*	*1,284,150*	*1,301,100*	*1,337,500*	*1,381,800*
(*ii*) England £	*124,730*	*118,679*	*125,379*	*122,200*	*126,800*	*127,600*
Total Irrigation £	*1,282,513*	*1,304,846*	*1,409,529*	*1,423,300*	*1,464,300*	*1,509,400*
Total deduction £	*8,355,061*	*8,607,991*	*9,321,743*	*9,189,000*	*9,541,000*	*9,658,100*
Interest on Ordinary Debt £	1,169,047	726,427	449,840	830,000	467,900	298,900
Distribution of above—						
Imperial £	966,579	506,757	210,219	598,800	225,000	66,400
Provincial £	202,468	219,670	239,621	231,200	242,900	232,500
Interest on other Obligations—						
On Savings Bank Balances converted at ₹15=£1 £	491,952	560,453	525,444	437,600	437,900	487,000
Other items £	149,536	228,773	215,973	209,500	199,600	203,800
TOTAL £	641,488	789,226	741,417	646,100	667,500	690,800
GRAND TOTAL £	1,810,535	1,515,653	1,191,257	1,476,100	1,135,400	989,700
Debt outstanding on 31st March—	£	£	£	£	£	£
Sterling	179,179,193	177,064,757	183,190,358	182,657,257	182,282,858	180,282,858
Rupee Debt—	₹	₹	₹	₹	₹	₹
4 per cent.	3,31,00,000	3,19,00,000	3,19,00,000	3,07,00,000	3,18,90,000	14,68,90,000
3½ per cent.	1,29,93,49,500	1,33,09,99,400	1,38,12,21,400	1,42,64,84,400	1,38,47,25,400	1,38,53,25,400
3 per cent.	8,42,41,600	8,23,18,000	8,20,59,500	8,17,52,000	7,79,75,500	7,72,75,500
Other Debt	1,16,73,690	1,16,38,390	1,00,84,300	1,00,71,390	1,00,82,300	1,00,14,300
Temporary loans	...	...	11,00,00,000	11,00,00,000	6,50,00,000	6,50,00,000
Savings Bank Balances	26,20,25,285	29,41,36,903	21,84,66,176	21,32,14,898	23,04,50,176	23,35,20,176

Interest on ordinary debt.

64. The expenditure in 1915-16 on account of interest payable on the public debt as a whole will fall short of the Budget estimate by R1·51 lakhs (£10,100). There will be a saving of R15 lakhs in India, mainly in the provision made in the Budget for discount on the rupee loan to be raised in the year; but this will be partly counterbalanced by an excess of R13·49 lakhs (£89,900) in England, due chiefly to the payment of a higher rate of discount on India Bills. In the Budget for 1916-17 necessary provision has been made for a full year's interest on the rupee loan of R5 crores raised in the current year, and on the temporary loan of R6 crores from the Gold Standard Reserve which will remain unpaid at the end of the year, as well as for the service of the further borrowing in India which is contemplated in the ensuing year. The reduction in the charges, as compared with the current year, is mainly due to the contemplated discharge of £1½ million India bills and repayment of £3 million of the temporary loan from the Gold Standard Reserve.

Revised, 1915-16.

Budget, 1916-17.

65. The amount of interest transferred to the Railway and Irrigation sections of the accounts depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of railways or irrigation works; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above purpose. Our practice is to adopt, for this adjustment, the average rate of interest actually paid in respect of the whole of the non-specific debt in the latest year for which complete accounts are available. The result is that the rate adopted in calculating the Revised estimate for a year is generally different from that used for the Budget estimate: and this usually leads to a difference between the two estimates apart from that caused by a variation in the capital expenditure itself.

Transfers to Railway and Irrigation Accounts.

The large increase of R52·80 lakhs (£352,000) in the Revised estimate of total interest to be transferred in 1915-16, as compared with the Budget, is due partly to an increase in the rate, and partly to an increase in the capital at charge at the end of 1914-15 caused by certain adjustments made with reference to a recent contract with the Bengal Nagpur Railway Company. The increase in the total amount of interest to be transferred in 1916-17, over the Revised estimate for 1915-16, is almost wholly due to the progress of capital expenditure.

Revised, 1915-16.

Budget, 1916-17.

66. A portion of the interest on Ordinary Debt appears in the Provincial section of the accounts. Provincial Governments are authorised to grant advances to cultivators (as well as to certain other people in special cases) under various Acts, to native states, to landholders and notabilities apart from the provisions of any law, and to municipalities and local bodies (other than Presidency Corporations), out of amounts annually placed at their disposal by the Government of India. The interest actually levied on such advances is credited as Provincial revenue. But interest at 3½ per cent a year is charged to the Local Governments on the mean between the outstanding balances of the Provincial Loan Accounts at the commencement of the year and at its close; and this is done by transferring the amount so calculated from the Imperial to the Provincial section under Interest on Ordinary Debt. The differences between the Budget and the Revised estimates of the amount to be so transferred in the current year, and between the latter and the Budget estimate of 1916-17, are explained by the variations in the outstanding balances of the Provincial Loan Account as shown in the table at page 44.

Transfers to Provincial.

Interest on other obligations.

67. The total expenditure in 1915-16 is likely to exceed the Budget provision by R3·21 lakhs (£21,400). There will be a rise of R4·54 lakhs in the interest payable on the Savings Bank balance owing mainly to a reduction in the anticipated withdrawals from Post Office Savings Banks; but on the other hand, a portion of the interest payable on certain special loans is not likely to be claimed during the current year. The Budget estimate for 1916-17 provides for an increase of R3·50 lakhs (£23,300) over the Revised for 1915-16 chiefly in consequence of a further growth anticipated in the deposits in the State Provident funds.

Revised, 1915-16.

Budget, 1916-17.

XIII AND 15—POSTS AND TELEGRAPHS.

—	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
REVENUE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Postage and Message Revenue . .	3,87,70,014	4,13,62,237	4,16,19,153	4,15,44,000	4,38,26,000	4,54,19,000
2. Commission on money orders .	56,79,946	61,03,161	60,88,658	61,80,000	63,30,000	64,30,000
3. Other Receipt .	45,25,202	40,24,174	43,39,142	42,40,000	42,50,000	43,20,000
TOTAL INDIA . ₹	4,89,75,162	5,14,89,572	5,20,46,953	5,19,64,000	5,44,06,000	5,61,69,000
TOTAL INDIA . £	3,265,011	3,432,638	3,469,797	3,464,300	3,627,100	3,744,600
ENGLAND .	...	...	30,000	69,000	...	20,000
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT .	3,265,011	3,432,638	3,499,797	3,533,300	3,627,100	3,764,600
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA.						
1. Message Revenue .	24,59,273	23,89,648	13,23,801	5,00,000	18,92,000	16,52,000
2. Other Receipts .	20,666	26,794	—14,201	20,000	—1,13,000	13,000
TOTAL INDIA . ₹	24,79,939	24,16,442	13,09,600	5,20,000	17,79,000	16,65,000
TOTAL INDIA . £	165,329	161,096	87,306	34,600	118,600	111,000
ENGLAND.						
1. Message Revenue. £	6,220	4,583	7,220	2,100	10,200	1,000
2. Other Receipts £	...	202	2,650	9,200	8,900	300
TOTAL ENGLAND £	6,220	4,785	9,870	11,300	19,100	1,300
TOTAL INDO-EUROPEAN DEPARTMENT £	171,549	165,881	97,176	45,900	137,700	112,300
TOTAL REVENUE £	3,436,560	3,598,519	3,596,973	3,579,200	3,764,800	3,876,900
EXPENDITURE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Establishment charges . . .	3,05,26,936	3,13,69,557	3,19,24,561	3,29,64,000	3,27,92,000	3,32,81,000
2. Stationery and Printing . . .	13,97,275	12,48,848	13,38,126	11,28,000	14,66,000	14,76,000
3. Conveyance of mails	65,95,054	73,36,524	72,31,660	73,34,000	73,02,000	76,35,000
4. Maintenance of Telegraph Lines .	25,76,216	26,29,794	23,80,227	25,27,000	25,94,000	26,85,000
5. Capital outlay in connection with the Telegraph Service .	4,09,421	4,60,450	7,10,564	5,48,000	—5,76,000	1,19,000
6. Miscellaneous .	9,09,603	9,61,428	8,70,621	10,55,000	9,60,000	9,68,000
TOTAL INDIA ₹ .	4,24,14,505	4,40,06,601	4,44,55,759	4,55,56,000	4,45,38,000	4,61,64,000
Equivalent in Sterling £	2,827,634	2,933,774	2,963,717	3,037,100	2,969,200	3,077,600
ENGLAND.						
1. Contribution to Eastern mail subsidy £	54,588	54,588	54,588	54,000	42,700	47,100
2. Stores . . £	131,612	143,070	143,676	142,500	172,500	230,000
3. Other items . £	8,588	10,555	16,999	42,700	7,300	47,900
TOTAL ENGLAND . £	194,788	208,213	215,263	239,200	222,500	325,000
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT £	3,022,422	3,141,987	3,178,980	3,276,300	3,191,700	3,402,600
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA AND ENGLAND.						
1. Revenue charges . £	96,183	77,193	86,888	101,800	100,700	104,700
2. Capital outlay . £	—17,599	23,157	13,241	5,200	10,600	86,200
3. Payments in respect of Revenue . £	31,507	30,647	—21,846	—88,900	—82,000	—90,000
TOTAL INDO-EUROPEAN TELEGRAPH DEPARTMENT £	110,091	130,997	78,283	18,100	29,300	100,900
TOTAL EXPENDITURE . . £	3,132,513	3,272,984	3,257,263	3,294,400	3,221,000	3,503,500
NET REVENUE . £	304,047	325,535	339,710	284,800	543,800	373,400

REVENUE.

(a) *Indian Postal and Telegraph Department.*

68. The Revised estimate for 1915-16 exceeds the Budget by R14·07 lakhs (£93,800). An improvement of R24·42 lakhs is expected in India owing to the more satisfactory conditions of internal trade. But there is a decrease of R10·35 lakhs in the receipts in England, as the Home Government will not make any payment in the current year under the Morley award in connection with the Eastern Mail Service. *Revised, 1915-16.*

69. The Budget estimate for 1916-17 provides for a further moderate advance of R17·63 lakhs in the collections in India and for a receipt of R3 lakhs in England in connection with the Eastern Mail Service. *Budget, 1916-17.*

(b) *Indo-European Telegraph Department.*

70. The rise of R13·77 lakhs (£91,800) in the revenue in the current year, as compared with the Budget estimate, is due to the diversion of traffic from foreign lines to those of the Indo-European Telegraph Department in consequence of interruptions on the former, as well as to an increase in the traffic owing to the war. The Budget estimate for 1916-17 provides for a fall of R3·81 lakhs (£25,400) in the receipts, owing mainly to a reduction in rates in the Persian Gulf section. *Revised, 1915-16.* *Budget, 1916-17.*

EXPENDITURE.

(a) *Indian Postal and Telegraph Department.*

71. The expenditure in 1915-16 is likely to fall short of the Budget grant by R12·69 lakhs (£84,600). The reduction is mainly due to heavy credits for the value of stores supplied to the Indian Expeditionary Forces, the curtailment of expenditure with reference to the policy of economy, a smaller payment in connection with the Eastern Mail subsidy owing to the discontinuance of mail sorting at sea, and a lapse in the provision for payments to the Marconi Company *Revised, 1915-16.*

72. The Budget grant for 1916-17 exceeds the Revised estimate for 1915-16 by R31·63 lakhs (£210,900). The credits on account of the value of stores supplied to other departments will be less by R7·5 lakhs in consequence of smaller supplies to the Indian Expeditionary Forces, while the outlay on the purchase of stores in England will be higher by R8·63 lakhs mainly owing to the replacement of stores issued to the Forces in the current year and a rise in prices. A provision of R6 lakhs has also been made for certain payments to the Marconi Company which are being postponed in the current year. Apart from these special items, the Budget estimate provides for sanctioned establishments and normal working expenses, together with a margin for the development of the operations of the department which are generally remunerative in character. *Budget, 1916-17.*

(b) *Indo-European Telegraph Department.*

73. The Revised estimate for 1915-16 exceeds the Budget by R1·68 lakhs (£11,200), the rise being mainly due to the re-construction of the line north of Karachi and the increased cost of stores. The Budget estimate for 1916-17 is taken at R10·74 lakhs (£71,600) more than the Revised for the current year. Provision has been made for an increase of R11·34 lakhs (£75,600) in the capital outlay, in consequence of a rise in the cost of stores and the contemplated reconstruction of a line in Persia; and for a normal growth of R·60 lakh (£4,000) in the working expenses. On the other hand, the net receipts in England in 1916-17 in connection with the Joint Purse arrangement, etc., will be R1·20 lakhs (£8,000) more than in 1915-16. *Revised, 1915-16.* *Budget, 1916-17.*

XV AND 17.—MINT.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
REVENUE.						
INDIA.						
1. Percentage chargeable on coinage of new rupees	32,25,953	20,54,049	...	...	...	...
2. Profit on circulation of—						
(*a*) Nickel coins	22,02,778	19,61,839	9,54,164	10,00,000	10,00,000	10,00,000
(*b*) Bronze coins	12,72,178	7,60,047	...	...	...	...
3. Fees for coining dollars, etc.	3,07,347	75,417	...	...	...	...
4. Other items	3,02,119	2,45,302	88,301	70,000	1,11,000	94,000
TOTAL ℞	73,10,375	50,96,654	10,42,465	10,70,000	11,11,000	10,94,000
TOTAL £	487,359	339,777	69,498	71,300	74,000	72,900
England £	...	64	...	...	...	...
TOTAL £	487,359	339,841	69,498	71,300	74,000	72,900
EXPENDITURE.						
INDIA.						
1. Establishment charges	8,86,301	8,36,509	6,85,293	7,47,000	6,65,000	7,25,000
2. Purchase of stores	2,19,565	2,37,642	99,913	1,75,000	1,22,000	1,44,000
3. Loss on re-coining old silver coins	5,07,401	4,90,118	4,13,718	4,99,000	3,79,000	4,08,000
4. Loss on bronze coinage	...	...	7,57,341	...	...	...
5. Other coinage losses	4,20,140	2,66,720	27,906	...	...	...
TOTAL ℞	20,33,407	18,30,989	19,84,171	14,21,000	11,66,000	12,77,000
TOTAL £	135,560	122,066	132,278	94,700	77,800	85,200
England £	6,783	10,564	9,404	7,300	8,260	5,100
TOTAL £	142,343	132,630	141,682	102,000	86,000	90,300
TOTAL NET REVENUE £	345,016	207,211	—72,184	—30,700	—12,000	—17,400

REVENUE.

74. The figures do not show any important variation.

EXPENDITURE.

Revised, 1915-16. 75. The decrease of ℞2·41 lakhs in the expenditure in 1915-16, as compared with the Budget provision, is due partly to savings in establishment charges and in the grant for the purchase of stores, and partly to a reduction in the loss on the recoinage of uncurrent silver coin consequent on a fall in the withdrawals of such coin. The Budget estimate for 1916-17 provides for normal operations.

Budget, 1916-17.

18.—GENERAL ADMINISTRATION.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
INDIA.	£	£	£	£	£	£
Imperial.						
1. Cost of the Central Government:						
(i) Salary and expenses of the Governor-General .	11,46,704	11,28,036	10,55,920	10,92,000	11,33,000	10,68,000
(ii) Executive Council .	4,76,853	4,86,820	5,44,171	5,44,000	5,51,000	5,38,000
(iii) Legislative Council .	1,32,026	1,70,712	1,54,746	1,73,000	1,71,000	1,73,000
(iv) Charges of the Secretariats .	35,65,399	35,39,737	36,87,063	35,36,000	36,66,000	36,82,000
2. Offices of Account and Audit	37,53,875	38,00,764	38,10,796	39,11,000	38,79,000	38,69,000
3. Currency Department and Reserve Treasury	6,82,687	8,18,972	8,53,238	9,46,000	9,29,000	9,78,000
4. Payments to Presidency Banks for treasury and public debt work . .	3,66,231	3,74,081	3,82,870	3,86,000	3,91,000	3,94,000
5. Ajmer-Merwara Administration, etc. .	4,074	2,086	2,068	3,000	2,000	2,000
6. Royal Visit and Coronation Durbar .	50,276	...	...	...	...	...
7. Delhi*	32,635	1,40,684	1,43,117	1,55,000	1,42,000	1,45,000
8. North-West Frontier Administration .	3,64,422	3,11,794	3,36,534	3,56,000	3,69,000	3,81,000
Total .	1,05,75,182	1,07,73,686	1,09,70,523	1,11,02,000	1,12,33,000	1,12,30,000
Provincial.						
1. Madras . . .	13,99,496	14,26,839	15,22,569	14,93,000	15,86,000	15,35,000
2. Bombay . . .	17,90,470	19,37,196	21,15,164	21,29,000	20,33,000	20,70,000
3. Bengal . . .	25,46,712	24,29,759	24,18,157	23,74,000	24,06,000	24,36,000
4. United Provinces .	17,15,992	17,31,053	17,54,705	18,80,000	17,79,000	17,67,000
5. Punjab . . .	12,44,915	12,20,574	13,27,042	12,28,000	12,71,000	12,64,000
6. Burma . . .	15,13,442	15,16,202	15,72,207	16,05,000	15,74,000	16,03,000
7. Bihar and Orissa .	11,84,144	13,47,288	13,45,502	14,48,000	13,48,000	14,36,000
8. Central Provinces .	8,68,131	9,30,430	9,71,025	9,10,000	9,32,000	9,31,000
9. Assam . . .	6,04,804	5,83,597	6,06,828	6,45,000	6,20,000	6,24,000
Total .	1,28,68,106	1,31,22,938	1,36,33,199	1,37,12,000	1,35,99,000	1,36,66,000
TOTAL INDIA .	2,34,43,288	2,38,96,624	2,46,03,722	2,48,14,000	2,48,32,000	2,48,96,000
	£	£	£	£	£	£
Equivalent in Sterling .	1,562,886	1,593,108	1,640,248	1,654,300	1,655,500	1,659,700
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc. .	268,954	269,232	268,486	272,200	283,900	283,700
2. Stores, etc., for India.	111,949	121,307	139,504	93,000	52,200	67,500
3. Royal Visit and Coronation Durbar .	293	...	...	...	...	...
TOTAL £	381,196	390,539	407,990	365,200	336,100	351,200
GRAND TOTAL £	1,944,082	1,983,647	2,048,238	2,019,500	1,991,600	2,010,900

*The figures have been corrected to include the charges of the Audit Office, Delhi.

(*a*) *India—Imperial.*

Revised, 1915-16.

76. The expenditure in 1915-16 is likely to exceed the Budget grant by R1·31 lakhs. The increase is wholly due to a rise in the charges of the Secretariats (R1·30 lakhs) in consequence of the re-organisation of the Education Department and the employment of additional establishments in the Commerce and Industry and other departments to deal with questions arising out of the war. The Budget estimate for 1916-17 provides generally for sanctioned establishments and normal charges, and follows closely the Revised for the current year.

Budget, 1916-17.

(*b*) *Provincial.*

Revised, 1915-16.

77. The total Revised for 1915-16 falls short of the Budget estimate by R1·13 lakhs. Savings of R1·01 lakhs and R1 lakh are expected in the United Provinces and in Bihar and Orissa respectively, owing to the non-utilisation of the provision for the creation of an Executive Council in the former province and for railway saloons for the Lieutenant-Governor in the latter. On the other hand, there will be an excess of R·93 lakh over the Budget grant in Madras, due mainly to the employment of additional staff in the Secretariats and the purchase of furniture for the Government House. Unimportant variations from the Budget grants will occur in the other provinces.

Budget, 1916-17.

78. The total Budget estimate for 1916-17 is R·67 lakh more than the Revised for the current year, the more important variations being: (1) an increase of R·88 lakh in Bihar and Orissa due mainly to provision for furniture required for the Government House at Bankipore, and (2) a reduction of R·51 lakh in Madras caused by the absence of certain items of special expenditure which have been incurred in the current year.

(*c*) *England.*

Revised, 1915-16.

79. The Revised estimate for 1915-16 is less than the Budget by £29,100. There is an increase of £11,700 in the charges of the Home establishment owing to an increase in staff, a rise in the wages of labourers at the store depôt and the payment of overtime allowances; but it will be more than counterbalanced by a saving of £40,800 in the grant for the purchase of stores, etc., due chiefly to smaller requirements for stores and to a change in the system of submission of claims under which payment will be made in 1915-16 in respect of three quarters only and not for a full year.

Budget, 1916-17.

80. The Budget estimate for 1916-17 exceeds the Revised for 1915-16 by £15,100 mainly owing to a higher provision for outlay on stores.

XVI A* and 19 A.—LAW AND JUSTICE—COURTS OF LAW.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General . .	3,51,532	3,29,821	3,66,885	3,68,000	3,69,000	3,71,000
2. Delhi . . .	58,774	1,61,864	2,42,989	1,70,000	1,68,000	1,64,000
3. Baluchistan . .	20,077	19,834	22,517	24,000	28,000	24,000
4. North-West Frontier	6,16,006	6,19,800	6,49,779	6,68,000	6,50,000	6,45,000
Total .	10,46,389	11,31,319	12,82,170	12,30,000	12,15,000	12,04,000
Provincial.						
1. Madras . . .	66,61,302	69,67,319	82,64,186	84,56,000	84,54,000	85,29,000
2. Bombay . . .	56,69,312	56,35,537	57,76,860	57,29,000	58,22,000	57,55,000
3. Bengal . . .	96,39,400	1,00,37,547	1,03,78,200	1,01,24,000	1,05,40,000	1,00,20,000
4. United Provinces .	61,61,393	63,90,754	66,82,719	67,45,000	70,23,000	68,88,000
5. Punjab . . .	42,17,547	42,55,055	46,02,900	46,94,000	47,21,000	46,56,000
6. Burma . . .	48,24,039	48,81,629	50,21,931	52,07,000	51,00,000	50,41,000
7. Bihar and Orissa .	31,23,331	32,98,531	35,30,823	34,91,000	38,38,000	42,23,000
8. Central Provinces .	25,77,687	27,86,972	28,17,148	29,41,000	29,18,000	29,76,000
9. Assam . . .	9,09,112	9,33,847	10,14,772	10,68,000	10,35,000	10,39,000
Total .	4,37,83,123	4,51,88,691	4,80,89,509	4,84,55,000	4,94,51,000	4,91,27,000
TOTAL INDIA . ₹	4,48,29,512	4,63,20,010	4,93,71,679	4,96,85,000	5,06,66,000	5,03,31,000
Equivalent in Sterling £	2,988,634	3,088,001	3,291,445	3,312,300	3,377,700	3,355,400
England . . . £	1,668	159	809	700	1,200	700
TOTAL £	2,990,302	3,088,160	3,292,254	3,313,000	3,378,900	3,356,100

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General . .	76,782	95,437	3,17,242	3,19,000	2,93,000	1,52,000
2. Delhi . . .	9,702	20,624	17,849	20,000	21,000	22,000
3. Baluchistan . .	24,410	27,413	24,532	25,000	29,000	25,000
4. North-West Frontier	1,12,889	1,44,782	1,43,825	1,50,000	1,71,000	1,50,000
Total .	2,23,783	2,88,306	5,03,448	5,14,000	5,14,000	3,49,000
Provincial.						
1. Madras . . .	10,63,626	10,94,576	11,44,480	11,47,000	11,70,000	12,05,000
2. Bombay . . .	7,31,828	7,80,626	8,43,009	8,20,000	8,10,000	8,20,000
3. Bengal . . .	8,14,901	8,42,811	8,60,139	9,13,000	8,40,000	8,30,000
4. United Provinces .	6,80,041	6,77,355	7,86,719	7,08,000	8,40,000	8,66,000
5. Punjab . . .	4,88,534	5,54,353	5,87,921	6,78,000	5,40,000	5,28,000
6. Burma . . .	6,47,791	6,84,281	6,51,323	6,79,000	6,10,000	6,40,000
7. Bihar and Orissa .	2,80,076	2,69,601	2,96,004	2,80,000	3,34,000	3,51,000
8. Central Provinces .	2,35,053	2,89,281	2,58,662	2,57,000	2,29,000	2,41,000
9. Assam . . .	1,15,132	1,25,675	1,36,817	1,38,000	1,28,000	1,40,000
Total .	50,56,982	53,18,559	55,65,074	56,20,000	55,01,000	56,21,000
TOTAL ₹	52,80,765	56,06,865	60,68,522	61,34,000	60,15,000	59,70,000
Equivalent in Sterling £	352,051	373,791	404,568	408,900	401,000	398,000

EXPENDITURE.

(*a*) *Imperial.*

81. The figures show little variation.

(*b*) *Provincial.*

Revised, 1915-16.

82. The Revised estimate for 1915-16 exceeds the Budget by ₹9·96 lakhs. There is an increase of ₹4·16 lakhs in Bengal and of ₹2·78 lakhs in the United Provinces, chiefly in consequence of (1) special expenditure in connection with political cases, and (2) the payment of grain compensation allowance for which provision was made in the Budget under "Miscellaneous"; of ₹3·47 lakhs in Bihar and Orissa, mainly due to expenditure connected with the High Court at Bankipore for which no allowance was made in the Budget; and of ₹·93 lakh in Bombay owing to the grant of time-scale pay to those Joint and Assistant Judges who are members of the Indian Civil Service, the revision of pay of Judicial Commissioners, and a larger payment of leave allowances. In the Punjab also, there will be some excess over the Budget provision in consequence of special expenditure connected with political cases and the payment of grain compensation allowance, which will be met partially from savings in ordinary grants and in the allotment for the revision of clerical establishments. On the other hand, the expenditure will fall short of the Budget estimate in Burma (₹1·07 lakhs), owing mainly to the temporary return to military duty of the junior military members of the Burma Commission; and in the three remaining provinces owing to unimportant lapses in various grants.

Budget, 1916-17.

83. The total Budget for 1916-17 is ₹3·24 lakhs less than the Revised estimate for 1915-16. There is a reduction of ₹5·20 lakhs in Bengal, owing to: (1) the creation of a new High Court at Bankipore; and (2) the absence of (*a*) special expenditure incurred in the current year in connection with political cases, and (*b*) specific provision under this head for the payment of grain compensation allowance. There is also a decrease of ₹1·35 lakhs in the United Provinces, due to the second of the causes mentioned above. On the other hand, there is an increase of 3·85 lakhs in Bihar and Orissa, where the Budget provides for a full year's charges on account of the new High Court at Bankipore. Provision has generally been made in all the provinces for the normal charges of sanctioned establishments.

REVENUE.

(*a*) *Imperial.*

Revised, 1915-16.

Budget, 1916-17.

84. The Revised estimate for 1915-16 does not differ from the Budget. The Budget estimate for 1916-17 is taken at ₹1·65 lakhs less than the Revised for 1915-16, as it is unlikely that any sums will be transferred in the ensuing year by the Administrator General, Bengal, to credit of Government under Section 52 of Act III of 1913.

(*b*) *Provincial.*

Revised, 1915-16.

Budget, 1916-17.

85. The total revenue in the current year is likely to fall short of the Budget estimate by ₹1·19 lakhs. The reduction is mainly due to smaller receipts on account of magisterial fines in the Punjab, Bengal, Burma and several other provinces, which are partly counterbalanced by increased recoveries on this account in Madras, Bihar and Orissa and the United Provinces and by a rise in the revenue from kurk-amins' fees and process-servers' fees in the last named province. The Budget for 1916-17 provides for normal receipts in all the provinces.

XVI B and 19 B.—LAW AND JUSTICE—JAILS.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	16,41,340	16,67,987	17,73,473	17,06,000	19,08,000	18,97,000
2. Delhi	22,484	64,366	74,135	70,000	72,000	71,000
3. Baluchistan	29,652	34,001	30,498	33,000	36,000	33,000
4. North-West Frontier	1,51,779	2,09,693	2,13,234	2,37,000	2,63,000	2,74,000
TOTAL	18,45,255	19,76,047	20,91,340	20,46,000	22,79,000	22,75,000
Provincial.						
1. Madras	13,89,871	14,99,324	15,43,300	16,09,000	15,10,000	15,32,000
2. Bombay	12,00,733	12,76,989	12,82,660	12,87,000	12,82,000	12,91,000
3. Bengal	19,61,832	22,62,882	25,50,828	21,95,000	24,31,000	25,50,000
4. United Provinces	18,23,882	20,59,519	23,13,033	21,66,000	23,83,000	24,14,000
5. Punjab	13,14,605	14,27,260	15,86,118	17,32,000	18,11,000	18,28,000
6. Burma	15,66,335	18,32,603	15,77,416	15,13,000	15,70,000	15,62,000
7. Bihar and Orissa	11,80,570	14,54,178	14,80,168	15,71,000	15,20,000	15,35,000
8. Central Provinces	5,61,448	6,80,139	7,51,965	6,80,000	6,65,000	6,73,000
9. Assam	2,48,796	2,72,251	2,94,557	3,47,000	3,36,000	3,26,000
TOTAL	1,12,48,072	1,27,65,145	1,31,80,045	1,31,00,000	1,35,08,000	1,37,11,000
TOTAL INDIA R	1,30,93,327	1,47,41,192	1,52,71,385	1,51,46,000	1,57,87,000	1,59,86,000
Equivalent in Sterling £	872,889	982,746	1,018,093	1,009,800	1,052,500	1,065,700
England £	799	157	450	...	...	...
TOTAL £	873,688	982,903	1,018,543	1,009,800	1,052,500	1,065,700

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	3,51,785	4,03,536	3,70,057	3,68,000	3,87,000	3,85,000
2. Delhi	9,392	31,555	33,457	28,000	35,000	32,000
3. Baluchistan	777	829	552	1,000	1,000	1,000
4. North-West Frontier	26,077	32,562	37,074	37,000	43,000	45,000
TOTAL	3,88,031	4,68,532	4,41,140	4,34,000	4,66,000	4,63,000
Provincial.						
1. Madras	5,48,948	5,44,928	6,25,005	5,50,000	5,20,000	5,66,000
2. Bombay	3,04,589	2,82,232	2,85,042	2,85,000	3,10,000	3,00,000
3. Bengal	7,03,353	6,71,947	8,34,256	7,60,000	9,33,000	8,02,000
4. United Provinces	3,66,917	3,73,035	3,63,038	3,82,000	3,50,000	3,63,000
5. Punjab	3,24,563	3,93,642	4,08,394	5,00,000	4,25,000	4,00,000
6. Burma	4,59,258	4,93,229	4,19,784	4,65,000	4,41,000	4,33,000
7. Bihar and Orissa	6,43,671	7,26,397	7,03,179	8,10,000	7,47,000	7,17,000
8. Central Provinces	2,31,183	2,81,162	2,77,557	2,76,000	2,20,000	2,40,000
9. Assam	80,424	91,622	90,310	1,02,000	80,000	93,000
TOTAL	36,62,906	38,58,194	40,06,865	41,30,000	40,26,000	39,14,000
TOTAL R	40,50,937	43,26,726	44,48,005	45,64,000	44,92,000	43,77,000
Equivalent in Sterling £	270,062	288,448	296,534	304,200	299,500	291,800

EXPENDITURE.

(a) *Imperial.*

Revised, 1915-16. 86. The increase of R2·33 lakhs over the Budget grant for 1915-16 is mainly due to higher outlay on commissariat supplies, required for the convict settlement at Port Blair, in consequence of a rise in prices. The *Budget, 1916-17.* Budget estimate for 1916-17 does not differ materially from the Revised for 1915-16.

(b) *Provincial.*

Revised, 1915-16. 87. The total expenditure in 1915-16 is likely to exceed the Budget grant by R4·08 lakhs. The excess is wholly due to a rise in the dietary charges owing to the high price of food-stuffs and also to an increase in the jail population in some of the provinces. The cost of dietary is likely to exceed the Budget provision in almost every province; but in some of the provinces, it will be possible to meet the extra expenditure from savings in the grant for jail manufactures and in other directions.

Budget, 1916-17. 88. The Budget for 1916-17 is higher than the Revised estimate for 1915-16 by R2·03 lakhs. The grants are generally based on the sanctioned scales of establishment, the probable jail population and normal outlay on raw materials.

REVENUE.

(a) *Imperial.*

89. The figures show little variation.

(b) *Provincial.*

Revised, 1915-16. 90. The decrease of R1 04 lakhs in the revenue in the current year, as compared with the Budget estimate, is due to a reduced demand for jail-made articles in most of the provinces. Bengal is the only province in which a material improvement in the receipts (R1·73 lakhs) is expected, in consequence of heavy supplies of jail manufactures to the Military Department. *Budget, 1916-17.* The Budget estimate for 1916-17 provides generally for normal receipts.

XVII AND 20.—POLICE.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	9,17,991	10,37,218	11,52,094	10,74,000	12,18,000	12,74,000
2. Delhi	1,56,022	3,92,675	4,29,842	4,07,000	4,09,000	4,14,000
3. Baluchistan	4,13,677	5,11,605	5,84,734	6,42,000	5,94,000	6,08,000
4. North-West Frontier	15,76,157	17,05,508	18,05,391	18,67,000	19,76,000	21,71,000
Total	30,63,847	36,47,006	39,72,061	39,90,000	41,97,000	44,67,000
Provincial.						
1. Madras	88,16,509	92,47,539	1,09,30,808	1,12,26,000	1,11,68,000	1,16,71,000
2. Bombay	1,02,32,594	1,00,57,735	1,04,25,121	1,12,04,000	1,07,00,000	1,10,09,000
3. Bengal	83,99,859	94,71,081	1,03,72,545	1,05,35,000	1,10,26,000	1,11,12,000
4. United Provinces	1,08,84,795	1,11,39,477	1,25,99,303	1,24,24,000	1,28,15,000	1,26,07,000
5. Punjab	58,54,374	58,93,463	62,48,665	64,26,000	65,29,000	70,11,000
6. Burma	1,29,28,819	1,31,18,008	1,34,74,754	1,36,08,000	1,39,24,000	1,39,99,000
7. Bihar and Orissa	41,31,415	45,76,942	47,22,728	48,52,000	48,14,000	47,83,000
8. Central Provinces	33,31,457	34,11,226	34,60,413	36,21,000	35,90,000	37,00,000
9. Assam	22,10,987	23,87,928	23,30,651	25,29,000	23,12,000	25,33,000
Total	6,67,85,809	6,93,03,399	7,45,64,988	7,64,25,000	7,68,78,000	7,84,25,000
TOTAL INDIA ₹	6,98,49,656	7,29,50,405	7,85,37,049	8,04,15,000	8,10,75,000	8,28,92,000
Equivalent in Sterling £	4,656,644	4,863,360	5,235,803	5,361,000	5,405,000	5,526,100
England £	1,356	1,630	1,205	1,300	700	200
TOTAL £	4,658,000	4,864,990	5,237,008	5,362,300	5,405,700	5,526,300

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	18,672	18,562	21,267	19,000	21,000	18,000
2. Delhi	6,850	4,432	5,007	6,000	5,000	5,000
3. Baluchistan	10,448	14,865	18,714	15,000	19,000	18,000
4. North-West Frontier	31,003	20,782	33,308	33,000	36,000	49,000
Total	66,973	58,641	78,296	73,000	81,000	90,000
Provincial.						
1. Madras	5,00,043	4,88,562	4,94,132	4,96,000	5,05,000	5,07,000
2. Bombay	2,45,679	2,89,014	2,59,452	2,86,000	2,86,000	2,98,000
3. Bengal	2,39,082	1,56,684	1,77,419	1,86,000	1,57,000	1,67,000
4. United Provinces	97,089	1,01,626	79,991	1,04,000	1,05,000	1,07,000
5. Punjab	1,98,478	2,03,666	1,72,730	1,67,000	2,24,000	2,82,000
6. Burma	4,97,655	4,61,975	6,44,811	5,91,000	5,52,000	5,66,000
7. Bihar and Orissa	53,983	46,517	39,897	41,000	36,000	35,000
8. Central Provinces	26,211	26,002	23,907	26,000	31,000	29,000
9. Assam	1,08,099	1,22,398	1,48,580	1,31,000	1,26,000	1,28,000
Total	19,66,319	18,96,444	20,40,919	20,28,000	20,22,000	21,19,000
TOTAL ₹	20,33,292	19,55,085	21,19,215	21,01,000	21,03,000	22,09,000
Equivalent in Sterling £	135,553	130,339	141,281	140,100	140,200	147,300

EXPENDITURE.

(a) *Imperial (including outlay in England).*

Revised, 1915-16.

91. The Revised estimate for 1915-16 is higher than the Budget by R1·98 lakhs. There is an increase of R1·44 lakhs under "India—General," owing mainly to a rise in the charges of the Central Criminal Investigation Department; and of R1·09 lakhs in the North-West Frontier Province, due to the grant to the frontier constabulary of increased rates of pay, and of certain special concessions necessitated by the present conditions of service on the frontier. On the other hand, there is a lapse in the provision made in the Budget for police reforms in Baluchistan.

Budget, 1916-17.

92. The Budget estimate for 1916-17 exceeds the Revised for 1915-16 by R2·62 lakhs. The bulk of the increase occurs in the North-West Frontier Province and is due to provision for a full year's cost of the increased rates of pay and special concessions sanctioned for the frontier constabulary in the current year.

(b) *Provincial.*

Revised, 1915-16.

93. The Revised estimate for 1915-16 exceeds the Budget by R4·53 lakhs. There is an increase of R4·91 lakhs in Bengal and of R3·91 lakhs in the United Provinces, due partly to measures adopted to cope with the increase in political crime and partly to the payment of grain compensation allowance for which provision was made in the Budget under "Miscellaneous"; of R3·16 lakhs in Burma, owing to special precautionary measures necessitated by the war; and of R1·03 lakhs in the Punjab, caused chiefly by a higher payment of grain compensation allowance. On the other hand, there is a decrease of R5·04 lakhs in Bombay and of R2·17 lakhs in Assam, owing to lapses in ordinary grants and in special allotments for police reorganisation, and to the transfer of funds in the former province to the Public Works Department for the construction of police buildings. Less important savings in the Budget provision are also expected in Madras, Bihar and Orissa and the Central Provinces.

Budget, 1916-17.

94. The Budget estimate for 1916-17 is taken at R15·47 lakhs higher than the Revised for the current year. The estimates provide generally for the full cost of sanctioned establishments and of the various schemes already introduced. Some allotments have also been made for other urgent improvements. But no specific provision has been made under this head in the United Provinces and in Bengal for the payment of grain compensation allowance in the ensuing year, a lump allotment for this purpose being entered under "Miscellaneous" (see paragraph 146); this accounts for the apparent reduction of expenditure in the former province in the Budget for 1916-17 as compared with the Revised estimate for 1915-16, while the decrease in Bengal due to the same cause is more than counterbalanced by the provision made for certain urgent schemes.

REVENUE.

(a) *Imperial.*

95. The figures show little variation.

(b) *Provincial.*

Revised, 1915-16.

Budget, 1916-17.

96. The Revised estimate for 1915-16 does not differ materially from the Budget. The Budget estimate for 1916-17 exceeds the Revised of the current year by R·97 lakh, the increase being mainly due to higher recoveries in the Punjab on account of punitive police.

XVIII AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Provincial.						
1. Madras	41,145	45,677	36,552	45,000	40,000	40,000
2. Bombay	64,813	1,81,310	1,74,032	1,89,000	1,88,000	1,43,000
3. Bengal	12,16,009	14,28,377	13,78,205	14,76,000	14,05,000	13,30,000
4. Burma	13,28,580	13,49,167	14,79,283	14,61,000	15,73,000	14,37,000
5. Bihar and Orissa	1,080	957	1,029	7,000	6,000	7,000
6. Assam	63,048	60,902	60,729	54,000	56,000	55,000
Total India	27,14,675	30,66,390	31,29,830	32,32,000	32,68,000	30,12,000
Equivalent in Sterling £	180,978	204,426	208,655	215,400	217,900	200,800
England £	104	200	1	100	...	...
TOTAL £	181,082	204,626	208,656	215,500	217,900	200,800

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Provincial.						
1. Madras	160	86	68	...	...	...
2. Bombay	1,02,450	1,08,524	1,29,876	1,59,000	1,25,000	1,49,000
3. Bengal	17,52,191	16,76,604	15,52,988	16,20,000	14,15,000	14,25,000
4. Burma	4,96,172	5,18,919	4,21,961	4,84,000	4,07,000	4,21,000
5. Bihar and Orissa	127	...	70	...	...	...
6. Assam	84	...	112	...	...	...
TOTAL R	23,51,184	23,04,133	21,05,075	22,63,000	19,47,000	19,95,000
Equivalent in Sterling £	156,746	153,609	140,339	150,900	129,800	133,000

EXPENDITURE.

97. The total Revised estimate for 1915-16 does not differ materially from the Budget provision. There is an increase of R1·12 lakhs in Burma, due to a rise in prices of coal and marine stores; but it is counterbalanced largely by a saving of R·71 lakh in Bengal, caused by a reduction in the charges of pilot establishments consequent on the dislocation of trade. The Budget estimate for 1916-17 is taken at R2·56 lakhs less than the Revised for the current year. The reduction is mainly due to the absence of any provision in Burma for the construction of new launches.

Revised, 1915-16.

Budget, 1916-17.

REVENUE.

98. The falling of R3·16 lakhs in the revenue in 1915-16, as compared with the Budget estimate, is chiefly due to the unfavourable conditions of seaborne trade. The Budget estimate for 1916-17 does not differ materially from the Revised for the current year.

Revised, 1915-16.

Budget, 1916-17.

XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India, General	7,64,023	9,15,504	9,25,293	9,33,000	7,36,000	9,65,000
2. Delhi	1,25,857	1,42,855	2,34,513	1,56,000	1,78,000	1,72,000
3. Baluchistan	74,191	1,06,852	81,011	1,05,000	92,000	1,08,000
4. North-West Frontier	6,71,542	4,87,539	5,02,767	5,42,000	5,37,000	5,44,000
Total	16,35,553	16,52,750	17,43,584	17,36,000	15,43,000	17,89,000
Provincial.						
1. Madras	65,53,050	79,51,125	78,31,353	77,69,000	76,86,000	80,87,000
2. Bombay	61,35,165	72,75,648	83,03,180	76,86,000	75,72,000	77,54,000
3. Bengal	73,76,329	81,12,515	92,07,022	1,05,62,000	89,61,000	88,30,000
4. United Provinces	56,64,135	78,58,337	70,23,430	67,31,000	63,37,000	64,54,000
5. Punjab	34,46,632	44,69,352	42,20,202	44,66,000	44,44,000	42,76,000
6. Burma	23,44,622	29,23,909	31,67,165	31,34,000	30,79,000	31,32,000
7. Bihar and Orissa	27,48,204	38,34,826	36,87,752	37,65,000	36,18,000	37,22,000
8. Central Provinces	21,16,637	22,02,034	26,95,062	34,04,000	28,34,000	32,83,000
9. Assam	9,73,071	12,15,892	15,98,655	15,29,000	14,27,000	15,18,000
Total	3,73,58,345	4,58,43,638	4,77,33,821	4,90,46,000	4,59,58,000	4,70,56,000
TOTAL INDIA ₹	3,89,93,898	4,74,96,388	4,94,77,405	5,07,82,000	4,75,01,000	4,88,45,000
Equivalent in Sterling £	2,599,593	3,166,426	3,298,494	3,385,500	3,166,700	3,256,400
England £	10,539	10,383	10,320	9,300	10,000	10,200
TOTAL	2,610,132	3,176,809	3,308,814	3,394,800	3,176,700	3,266,600

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India, General	30,495	38,175	41,371	37,000	49,000	44,000
2. Delhi	6,854	18,450	15,158	17,000	15,000	14,000
3. Baluchistan	14,075	17,996	18,070	19,000	19,000	19,000
4. North-West Frontier	671	13,173	24,800	23,000	26,000	24,000
TOTAL	52,095	87,794	99,399	96,000	1,09,000	1,01,000
Provincial.						
1. Madras	2,96,297	3,11,011	3,23,120	3,21,000	3,06,000	3,14,000
2. Bombay	5,31,281	5,52,899	6,00,079	5,99,000	7,82,000	6,09,000
3. Bengal	7,77,676	8,10,953	8,47,110	8,86,000	8,77,000	9,05,000
4. United Provinces	5,11,992	6,08,851	6,09,306	6,19,000	6,64,000	6,10,000
5. Punjab	4,37,675	4,49,433	4,77,429	4,83,000	5,02,000	5,05,000
6. Burma	2,39,331	2,89,331	3,53,679	3,35,000	3,64,000	3,84,000
7. Bihar and Orissa	2,31,122	2,69,993	2,99,643	3,34,000	3,63,000	3,67,000
8. Central Provinces	1,99,888	2,03,667	2,14,529	2,29,000	2,44,000	2,55,000
9. Assam	1,14,026	1,34,639	1,69,456	1,72,000	1,91,000	1,84,000
TOTAL	33,39,788	36,30,777	38,94,351	40,28,000	42,93,000	41,33,000
TOTAL INDIA ₹	33,91,883	37,18,571	39,93,750	41,24,000	44,02,000	42,34,000
Equivalent in Sterling £	226,126	247,905	266,250	274,900	293,500	282,300

EXPENDITURE.

(*a*) *Imperial*—(*India and England*).

Revised, 1915-16.

99. The Revised estimate for 1915-16 is less than the Budget by R1·83 lakhs. A portion of the saving is nominal and is caused by (1) the assignment to Provincial Governments of R·90 lakh out of the reserve for educational requirements, for which Budget provision was made under Education, and (2) the record under other heads of account of a grant of R·09 lakh made from this reserve for the improvement of Army schools. The balance of the decrease is due to lapses in the reserve and in ordinary grants.

100. Of the reserve of R2·19 lakhs provided in the Budget for 1915-16 out of the recurring appropriation of R124 lakhs from Imperial revenues for the improvement of education, R1·75 lakhs will be utilised as shown below, and R·44 lakh will lapse:

		Lakhs of Rupees.
(*i*) Assigned to Provincial Governments	Recurring	·04
	Non-recurring	·86
(*ii*) Allotted for non-recurring expenditure on Army schools		·09
(*iii*) Allotted for recurring expenditure in minor administrations		·01
(*iv*) Allotted for non-recurring expenditure in minor administrations, etc.:—		
(*a*) Delhi	·22	
(*b*) Other tracts	·53	
		·75
Grand Total		1·75

Budget, 1916-17.

101. The Budget estimate for 1916-17 exceeds the Revised for the current year by R2·49 lakhs, the increase being mainly due to the provision of R·42 lakh for grants to certain schools in Bangalore, and a reserve of R1·81 lakhs. Of the special appropriation of R124 lakhs mentioned in paragraph 100, R120·31 lakhs have already been distributed among the various provinces, etc., to meet recurring expenditure. The balance of R3·69 lakhs has been allotted as follows in the Budget estimate for the ensuing year:—

	Lakhs of Rupees.
(*i*) Assigned to Provincial Governments for non-recurring expenditure	1·74
(*ii*) Non-recurring expenditure in minor administrations, etc.	·14
(*iii*) Reserve	1·81
	3·69

(*b*) *Provincial.*

Revised, 1915-16.

102. The total expenditure in 1915-16 is expected to be R30·88 lakhs less than the Budget estimate. The latter included special allotments under this head, aggregating about R151 lakhs, from the recurring and non-recurring assignments made from Imperial revenues in recent years for the development and improvement of education. Out of these allotments, the expenditure expected in 1915-16 is about R139 lakhs only, of which R122 lakhs will be recorded under Education, while the balance will appear under Civil Works. Under the former head, there is thus a decrease of about R29 lakhs, as compared with the Budget provision, in the outlay from special Imperial grants; and the expenditure from other Provincial resources will accordingly fall short of the corresponding budget provision by about R2 lakhs only. This decrease is due to lapses in ordinary grants in almost all the provinces and in the special allotment of R1 lakh made in Assam for educational reforms.

Budget, 1916-17.

103. The Budget estimate for 1916-17 exceeds the Revised for the current year by R10·98 lakhs. The expenditure in 1916-17 from the special assignments made from Imperial revenues in recent years will, however, be about 9 lakhs less than in 1915-16, the provision made in the Budget under

Education for expenditure from these contributions amounting to ₹113 lakhs against a probable outlay of ₹122 lakhs in the current year. The provision in the Budget for 1916-17 for expenditure from ordinary Provincial resources is thus about ₹20 lakhs more than in the Revised of the current year. The increase is distributed over all the provinces excepting Burma. Provision has generally been made for the sanctioned scale of expenditure and for pressing requirements.

104. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants given from Imperial revenues in recent years. To simplify the position, it has been assumed that the whole of the recurring grant for any year is fully utilised before any expenditure is debited against the non-recurring grant.

[In lakhs of Rs.]

Province.	Grants to end of 1916-17.	Expenditure.					Unspent balance on 31st March 1917.
		To end of 1914-15.	In 1915-16 (Revised) recorded under		In 1916-17 (Budget) recorded under		
			Education.	Other heads.	Education.	Other heads.	
1. Madras . .	64·44	45·10	·94	2·20	·45	3·05	12·70
2. Bombay . .	57·78	16·17	1·31	·98	1·92	·40	37·00
3. Bengal . .	1,46·24	44·15	7·02	3·76	—3·32	...	94·63
4. United Provinces .	65·57	39·68	...	2·81	...	1·12	21·96
5. Punjab . .	39·69	30·78	8·47	·05	·39	...	...
6. Burma . . .	33·75	14·46	—·99	...	...	...	20·28
7. Bihar and Orissa .	41·37	15·30	...	...	—3·39	...	29·46
8. Central Provinces .	23·40	7·17	1·19	2·24	3·38	...	9·42
9. Assam . .	15·70	8·79	...	·55	·50	1·04	4·82
Total .	4,87·94	,21·60	17·94	12·59	—·07	5·61	2,30·27

Owing to the need for economy, no material progress with the spending of these grants is likely to be made in the ensuing year. The *minus* figures against some of the provinces indicate that it will not be possible to utilise fully the recurring grant from Imperial revenues for educational expenditure.

Revenue.

(*a*) *Imperial.*

105. The figures show little variation.

(*b*) *Provincial.*

Revised, 1915-16. 106. The increase of ₹2·65 lakhs in the Revised estimate over the Budget for the current year is mainly due to special receipts in Bombay from the sale of securities belonging to the Gujarat college and from a private donation for the Ahmedabad College of Science. *Budget, 1916-17.* The Budget estimate for 1916-17 provides for normal receipts.

23.—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General	1,74,807	1,72,059	1,84,119	1,95,000	1,80,000	1,95,000
2. Delhi	6,187	12,691	16,083	19,000	21,000	20,000
3. Baluchistan	24,451	22,456	21,772	23,000	26,000	28,000
4. North-West Frontier	39,660	43,012	43,958	42,000	49,000	54,000
5. Madras	3,22,125	3,27,854	3,23,132	3,47,000	3,48,000	3,52,000
6. Bombay	3,27,058	3,42,005	3,22,831	3,46,000	3,12,000	3,33,000
7. Bengal	1,91,885	1,84,515	1,90,758	2,08,000	1,93,000	2,00,000
8. United Provinces	2,69,256	2,71,749	2,59,009	2,82,000	2,85,000	2,89,000
9. Punjab	2,45,303	2,44,884	2,46,590	2,59,000	2,58,000	2,60,000
10. Burma	1,38,239	1,44,884	1,43,624	1,44,000	1,43,000	1,44,000
11. Bihar and Oriss	31,471	32,243	33,102	36,000	35,000	40,000
12. Central Provinces	98,420	98,280	97,927	1,03,000	92,000	1,03,000
13. Assam	18,110	16,765	19,183	21,000	23,000	23,000
TOTAL INDIA ₹	18,86,972	19,13,457	19,02,088	20,25,000	19,65,000	20,41,000
Equivalent in Sterling £	125,798	127,564	126,806	135,000	131,000	136,100
England £	205	148	413	300	200	300
TOTAL £	126,003	127,712	127,219	135,300	131,200	136,400

107. A saving of ₹·61 lakh is expected in the total grant for the current year, chiefly in consequence of the absence of the Lord Bishop of Nagpur and of some of the Chaplains on leave, and the deputation of others to military duty. In 1916-17 provision has been made for the sanctioned scale of expenditure. *Revised, 1915-16.* *Budget, 1916-17.*

XX AND 24.—MEDICAL.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial:-						
1. India General	14,54,197	14,26,721	13,10,963	20,89,000	10,55,000	14,71,000
2. Delhi	5,30,575	1,85,882	5,21,244	2,36,000	3,03,000	2,35,000
3. Baluchistan	1,50,508	1,14,772	1,06,152	1,14,000	96,000	1,16,000
4. North-West Frontier	4,81,431	2,26,251	2,50,517	3,50,000	4,35,000	4,33,000
Total	26,16,711	19,53,626	21,88,876	27,89,000	18,89,000	22,55,000
Provincial.						
1. Madras	20,51,628	24,86,398	25,18,219	21,10,000	50,79,000	39,68,000
2. Bombay	23,50,042	27,20,970	25,00,114	31,78,000	26,15,000	27,38,000
3. Bengal	26,42,133	28,50,459	30,15,154	36,13,000	27,52,000	28,25,000
4. United Provinces	28,97,784	37,54,222	32,50,301	29,42,000	29,28,000	28,86,000
5. Punjab	25,82,514	13,72,398	28,23,490	22,73,000	19,58,000	16,69,000
6. Burma	21,90,764	20,69,540	32,14,760	20,85,000	26,90,000	26,40,000
7. Bihar and Orissa	7,26,757	9,14,408	10,03,189	11,61,000	10,13,000	11,43,000
8. Central Provinces	10,70,733	11,66,605	13,98,606	13,61,000	10,86,000	13,31,000
9. Assam	6,21,244	6,55,611	7,05,722	7,61,000	6,66,000	6,71,000
Total	1,71,33,599	1,79,90,611	2,04,29,555	1,94,84,000	2,07,87,000	1,98,71,000
TOTAL INDIA ₹	1,97,50,310	1,99,44,237	2,26,18,431	2,22,73,000	2,26,76,000	2,21,26,000
Equivalent in Sterling £	1,316,687	1,329,616	1,507,895	1,484,900	1,511,800	1,475,100
England £	10,531	8,319	6,340	5,100	3,300	3,100
TOTAL £	1,327,218	1,337,935	1,514,235	1,490,000	1,515,100	1,478,200

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	5,707	6,036	6,011	6,000	6,000	6,000
2. Delhi	83	826	1,404	1,000	2,000	2,000
3. Baluchistan	1,705	1,880	88	...	...	...
4. North-West Frontier	352	181	3,788	1,000	8,000	8,000
TOTAL	7,847	8,923	11,291	8,000	16,000	16,000
Provincial.						
1. Madras	1,53,648	1,91,716	1,51,561	1,45,000	1,35,000	1,42,000
2. Bombay	3,25,370	2,77,970	3,06,151	2,90,000	3,15,000	3,62,000
3. Bengal	4,26,733	4,20,307	3,94,558	3,80,000	3,59,000	3,81,000
4. United Provinces	54,657	72,485	1,44,935	2,15,000	2,01,000	1,27,000
5. Punjab	91,339	64,731	85,922	82,000	80,000	1,16,000
6. Burma	1,11,886	1,04,390	1,06,258	1,11,000	1,21,000	1,10,000
7. Bihar and Orissa	16,207	13,852	18,569	19,000	25,000	25,000
8. Central Provinces	19,587	17,386	18,668	18,000	24,000	19,000
9. Assam	18,709	23,920	23,965	26,000	28,000	32,000
TOTAL	12,18,136	11,86,757	12,50,587	12,86,000	12,88,000	13,14,000
TOTAL INDIA ₹	12,25,983	11,95,680	12,61,878	12,94,000	13,04,000	13,30,000
Equivalent in Sterling £	81,732	79,712	84,125	86,300	86,900	88,600
England £	773	676	633	600	600	500
TOTAL £	82,505	80,388	84,758	86,900	87,500	89,100

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1915-16.

108. The total Revised estimate for 1915-16 is less than the Budget by R9·27 lakhs, owing mainly to a decrease of R10·34 lakhs in India General and increases of R·67 lakh and R·85 lakh respectively in Delhi and the North-West Frontier Province. The decrease in India General is due (1) to the fact that no portion of the expenditure which is being incurred from the reserve of R7·70 lakhs entered in the Budget (see paragraph 109) will appear in the India General accounts; (2) to a reduction from R5 lakhs to R2·80 lakhs of the grant for the Indian Research Fund Association, in view, as regards R1·20 lakhs, of a grant of that amount from Imperial revenues made to the Government of the United Provinces for sanitary improvements in Lucknow, while a lapse also results from the temporary transfer to military duty of officers of the Indian Medical Service employed on research work; and (3) to lapses in ordinary grants. The increases in Delhi and in the North-West Frontier Province are caused by expenditure against the special allotments of R·70 lakh and R2 lakhs respectively which have been made to them from the reserve of R7·70 lakhs referred to above; and apart from this special expenditure, there will be a saving of R1·15 lakhs in the Budget provision in the latter province due to heavy lapses in ordinary grants.

109. The Budget estimate for 1915-16 included a reserve of R7·70 lakhs for the improvement of sanitation, being the portion of the special appropriation of R51 lakhs made for this purpose from Imperial revenues in recent years which had not been distributed among the provinces. From this sum, non-recurring allotments aggregating R3·70 lakhs have been made, *viz.*, (*i*) R1 lakh to the United Provinces for the improvement of the pilgrim route to Kedarnath and Badrinath, (*ii*) R2 lakhs to the North-West Frontier Province for the payment of a contribution to the Peshawar Municipality in aid of its scheme of drainage and water-supply, and (*iii*) R·70 lakh to Delhi for sanitary improvements. The balance of the reserve, amounting to R4 lakhs, will lapse in view of the need for economy, as no further allotments are required in connection with schemes of pressing urgency.

Budget, 1916-17.

110. The Budget estimate for 1916-17 exceeds the Revised for the current year by R3·63 lakhs. Provision has been made for the cost of sanctioned establishments and for normal charges generally; for a grant of R3 lakhs to the Indian Research Fund; for a further non-recurring contribution of R2 lakhs to the Peshawar Municipality in connection with its scheme of drainage and water-supply; and for a reserve of R3·70 lakhs. The reduction of R·68 lakh in the expenditure in Delhi is due to the absence of the special outlay mentioned in paragraph 109.

111. Out of the special appropriation of R51 lakhs referred to in paragraph 109, R38·30 lakhs have been assigned permanently to Provincial Governments or allotted for recurring outlay in minor administrations. From the balance of R12·70 lakhs, R3 lakhs will be paid in 1916-17 to the Indian Research Fund and R2 lakhs to the Peshawar Municipality; and R3·70 lakhs will be held in reserve to meet pressing demands that may come forward during the ensuing year. The residue of R4 lakhs will be temporarily resumed, in view of the financial situation, and will be made available for expenditure on sanitation later, on the return of normal conditions.

(*b*) *Provincial.*

Revised, 1915-16.

112. The Revised estimate for 1915-16 exceeds the Budget by R13·03 lakhs. The increase is wholly nominal and is due to a change in the classification of accounts, according to which grants to local and private bodies are recorded not under Civil Works, as used to be done in some of the provinces, but under the heads of service most closely connected with the objects for which the grants are given. In consequence of this change, expenditure amounting to about R25 lakhs* in Madras and R6 lakhs* in Burma for which provision was made in the Budget under Civil Works appears in the Revised under

* These figures include respectively R17 lakhs and R3 lakhs on account of outlay from special Imperial grants.

Medical. Eliminating this abnormal disturbance, the expenditure in 1915-16 is, therefore, likely to be less than the Budget estimate by about ₹18 lakhs. The Budget included special allotments in provinces other than Madras and Burma, aggregating about ₹34 lakhs, for outlay under Medical from recurring and non-recurring appropriations made from Imperial revenues for the development of sanitation. The amount of corresponding expenditure is now estimated at about ₹18 lakhs, *i.e.*, ₹16 lakhs less than the Budget provision. The Revised estimates also include a special grant of ₹4 lakhs to the Madras Corporation in connection with its water-supply and drainage scheme for which there was no provision in the Budget. Apart from the change in classification referred to above and excluding outlay from the special Imperial grants, and the grant to the Madras Corporation, the expenditure in 1915-16 will thus fall short of Budget allotments by about ₹6 lakhs. The saving is distributed over several provinces and is generally due to lapses in the ordinary grants and to a curtailment of expenditure with reference to the policy of economy.

Budget, 1916-17.

113. The Budget estimate for 1916-17 is less than the Revised for 1915-16 by ₹9·16 lakhs. Part of the decrease is explained by the absence of provision in the estimates for the next year for the grant to the Madras Corporation mentioned above, and the balance occurs in the outlay from special Imperial grants for which a provision of about ₹34 lakhs has been made in the Budget under Medical, against a probable expenditure of about ₹38 lakhs under the same head in the current year (inclusive of amounts likely to be spent in Madras and Burma). Provision has generally been made for the full cost of sanctioned establishments as well as for necessary outlay in other directions.

114. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants made from Imperial revenues in recent years (beginning from 1911-12) in aid of sanitation. To simplify the position, it has been assumed that the recurring grant is fully utilised before any expenditure is debited against the non-recurring grant; and the *minus* figure in 1915-16 and 1916-17 against some of the provinces indicates that the recurring grant will not be spent in full during the year.

[In lakhs of ₹]

Province.	Grants to end of 1916-17.	Expenditure.					Balance.
		To end of 1914-15.	In 1915-16 (Revised) recorded under		In 1916-17 (Budget) recorded under		
			Medical.	Other heads.	Medical.	Other heads.	
Madras . . .	39·25	23·49	10·93	...	3·93	...	·90
Bombay . . .	37·95	19·95	—1·18	...	—4·20	...	23·38
Bengal . . .	40·55	12·35	—2·00	...	—2·50	...	32·70
United Provinces .	51·20	29·68	·89	...	1·00	...	19·63
Punjab . . .	28·97	21·07	—1·77	...	—2·50	...	12·17
Burma . . .	21·50	12·67	...	...	...	...	8·83
Bihar and Orissa .	17·82	12·90	—1·43	...	...	...	6·35
Central Provinces .	16·50	6·16	·71	...	1·99	...	7·64
Assam . . .	6·96	6·49	—·36	...	—·38	...	1·21
Total .	2,60·70	1,44·76	5·79	...	—2·66	...	1,12·81

The need for economy and the shortage in the superior medical staff will lead to a considerable curtailment of expenditure. Only three of the provinces expect to utilise in 1916-17 a portion of the unspent balances of the non-recurring grants; while in four others, the recurring grants will not be spent in full.

Revenue.

115. The figures of both Imperial and Provincial revenue do not show any important variations.

25.—POLITICAL.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General . .	59,54,979	66,13,582	64,80,080	65,34,000	74,66,000	63,68,000
2. Delhi . . .	44,388	...	810	1,000	1,000	1,000
3. Baluchistan . .	23,34,142	24,15,124	24,13,424	25,19,000	25,53,000	25,77,000
4. North-West Frontier .	31,47,089	31,59,306	31,60,054	34,57,000	35,09,000	38,63,000
5. Punjab . . .	6,52,497	6,92,886	6,23,229	6,36,000	6,34,000	6,24,000
6. Other Provinces .	5,54,949	6,56,541	6,67,596	6,90,000	7,30,000	6,99,000
TOTAL .	1,26,88,044	1,35,37,439	1,33,45,193	1,38,37,000	1,48,93,000	1,41,32,000
Provincial.						
1. Madras . . .	95,175	88,334	85,269	88,000	87,000	89,000
2. Bombay . . .	4,21,351	4,36,079	5,15,841	5,08,000	5,37,000	5,47,000
3. Bengal . . .	38,976	32,975	18,358	30,000	24,000	23,000
4. United Provinces .	4,139	2,797	3,960	8,000	5,000	8,000
5. Burma . . .	9,39,395	13,58,283	18,26,178	20,37,000	12,78,000	19,56,000
6. Bihar and Orissa .	52,132	64,917	57,363	58,000	49,000	56,000
7. Central Provinces .	40,212	23,716	34,483	28,000	35,000	38,000
8. Assam . . .	6,91,696	16,15,626	6,03,759	6,67,000	5,79,000	5,82,000
TOTAL .	22,83,076	36,23,227	31,45,211	34,24,000	25,94,000	32,99,000
TOTAL INDIA . R	1,49,71,120	1,71,60,666	1,64,90,404	1,72,61,000	1,74,87,000	1,74,31,000
Equivalent in Sterling £	998,075	1,144,044	1,099,360	1,150,700	1,165,800	1,162,100
England . . . £	7,848	15,146	23,975	5,600	10,800	16,400
TOTAL . £	1,005,923	1,159,190	1,123,335	1,156,300	1,176,600	1,178,500

116. The Imperial outlay shown against "Other Provinces" consists of the charges of the Political Residency at Aden and certain other expenditure—mainly in connection with political refugees and State prisoners—in several provinces.

(*a*) *Imperial—India and England.*

117. The expenditure in 1915-16 is likely to exceed the Budget provision by R11·34 lakhs, owing mainly to special expenditure in connection with the diplomatic and consular services in Persia. The total Budget for 1916-17 is less than the total Revised estimate for 1915-16 by 6·77 lakhs, an expected reduction in the special expenditure in Persia being partly counterbalanced by an increase in the North-West Frontier Province, due to the grant of certain concessions to the frontier militia with reference to the present conditions of service on the frontier. *Revised, 1915-16.* *Budget, 1916-17.*

(*b*) *Provincial.*

118. The total expenditure in 1915-16 is expected to fall short of the Revised by R8·30 lakhs, while the Budget estimate for 1916-17 exceeds the Revised for 1915-16 by R7·05 lakhs. These variations occur mostly in the special expenditure in Burma and Assam in connection with the administration and proper control of the North-East frontier. *Revised, 1915-16.* *Budget, 1916-17.*

XXI A. AND 26 A.—AGRICULTURE.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	6,80,936	7,68,693	7,57,462	8,31,000	7,62,000	8,00,000
2. Delhi	2,553	7,298	10,860	12,000	11,000	12,000
3. Baluchistan	40,770	22,887	27,624	32,000	39,000	31,000
4. North-West Frontier	58,345	1,05,234	84,757	1,19,000	85,000	94,000
5. Other Provinces	4,16,080	3,36,908	28,555	30,000	29,000	...
TOTAL	11,98,684	12,41,020	9,09,258	10,24,000	9,26,000	9,37,000
Provincial.						
1. Madras	7,45,830	8,95,246	8,83,060	10,73,000	11,24,000	11,82,000
2. Bombay	9,22,044	10,70,232	12,45,834	12,71,000	12,35,000	13 20,000
3. Bengal	7,72,137	9,06,776	10,22,161	11,17,000	11,61,000	11,29,000
4. United Provinces	11,10,006	11,90,486	12,20,008	12,22,000	12,58,000	12,08,000
5. Punjab	7,44,876	8,55,270	11,45,530	11,72,000	11,62,000	12,86,000
6. Burma	4,22,707	4,69,492	5,31,738	5,68,000	6,28,000	6,05,000
7. Bihar and Orissa	3,39,643	4,46,941	4,73.448	5,37,000	4,69,000	4,97,000
8. Central Provinces	6,32,241	7,25,222	7,37,743	8,54,000	8,05,000	8,87,000
9. Assam	1,24,429	2,04,544	2,84,524	2,66,000	2,28,000	2,57,000
TOTAL	58,13,913	67,64,209	75,44,046	80,80,000	80,70,000	83,71,000
TOTAL INDIA . ₹	70,12,597	80,05,229	84,53,304	91,04,000	89,96,000	93,08,000
Equivalent in Sterling £	467,507	533,682	563,554	606,900	599,700	620,500
England . . . £	...	1,257	2,631	2,000	2,600	1,800
TOTAL . £	467,507	534,939	566,185	608,900	602,300	622,300

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	1,25,406	1,28,052	1,28,632	1,31,000	1,53,000	1,54,000
2. Delhi	2,466	1,086	100	...	...	...
3. Baluchistan	626	1,612	4,042	3,000	4,000	5,000
4. North-West Frontier	1,213	2,167	1,993	7,000	3,000	6,000
5. Punjab	66,153	...	...	...	...	...
TOTAL	1,95,864	1,32,917	1,34,767	1,41,000	1,60,000	1,65,000
Provincial.						
1. Madras	89,561	1,00,652	1,19,810	1,20,000	1,57,000	1,58,000
2. Bombay	1,02,339	1,22,622	1,17,134	1,48,000	1 48,000	1,80,000
3. Bengal	79,644	78,756	71,678	82,000	84,000	94,000
4. United Provinces	1,42,337	1,83,256	1,80,094	1,98,000	2,18,000	2,52,000
5. Punjab	1,25,491	2,16,560	1,72,827	1,88,000	2,05,000	1,94,000
6. Burma	8,766	13,851	14,112	20,000	16,000	20,000
7. Bihar and Orissa	20,747	21,407	18,242	48,000	23,000	30,000
8. Central Provinces	85,831	1,10,198	1,10,341	1,13,000	1,00,000	1,24,000
9. Assam	6,902	8,232	9,256	11,000	14,000	16,000
TOTAL	6,61,668	8,55,534	8,18,494	9,28,000	9,65,000	10,68,000
TOTAL INDIA . ₹	8,57,532	9,88,451	9,48,261	10,69,000	11,25,000	12,33,000
Equivalent in sterling £	57,169	65,897	63,217	71,300	75,000	82,200

EXPENDITURE.

(*a*) *Imperial* (*India and England*).

Revised, 1915-16. 119. The total expenditure in 1915-16 is likely to fall short of the Budget provision by ₹·89 lakh, owing to lapses in ordinary grants and the non-utilisation of the lump allotment for the creation of a separate Veterinary department in the North-West Frontier Province. *Budget, 1916-17.* The Budget estimate for 1916-17 provides generally for sanctioned establishments and repeats the lump allotment in the North-West Frontier Province. The absence of any provision against " Other Provinces " in the table on page 68 is due to the fact that the charges of the Camel Specialist in the Punjab will be recorded in the Provincial section of the accounts with effect from the ensuing year.

(*b*) *Provincial.*

Revised, 1915-16. 120. The total Revised estimate for 1915-16 does not differ materially from the Budget, lapses in grants in some of the provinces being nearly counterbalanced by unimportant excesses in others. *Budget, 1916-17.* The Budget estimate for 1916-17 exceeds the Revised for 1915-16 by ₹3·01 lakhs owing to special allotments in the Punjab and in some of the other provinces for a necessary expansion of the operations of the agricultural and allied departments.

REVENUE.

(*a*) *Imperial.*

121. The figures show little variation.

(*b*) *Provincial.*

Revised, 1915-16. 122. The Revised estimate for 1915-16 does not differ materially from the Budget. *Budget, 1916-17.* The Budget estimate for 1916-17 provides for a growth in the revenue in most of the provinces consequent on the opening of new experimental farms, etc.

XXI B AND 26 B.—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General . .	44,68,543	45,24,624	43,19,067	45,71,000	42,33,000	42,23,000
2. Delhi . . .	14,819	9,200	8,500	2,000	11,000	...
3. Baluchistan . .	17,038	11,998	6,903	7,000	10,000	13,000
4. North-West Frontier .	13,584	9,749	8,889	10,000	9,000	11,000
5. Other Provinces .	1,55,750	34,545	34,554	42,000	39,000	37,000
TOTAL .	46,69,734	45,90,116	43,77,913	46,32,000	43,02,000	42,84,000
Provincial.						
1. Madras . . .	11,20,234	8,32,452	9,68,100	11,34,000	11,66,000	12,37,000
2. Bombay . . .	1,03,546	1,33,320	1,49,990	1,46,000	1,52,000	1,51,000
3. Bengal . . .	8,91,816	5,19,023	5,16,108	5,05,000	4,64,000	6,44,000
4. United Provinces .	1,18,326	96,295	86,787	1,01,000	1,14,000	1,02,000
5. Punjab . . .	76,438	1,10,418	1,01,133	1,72,000	1,30,000	1,62,000
6. Burma . . .	67,027	69,103	80,931	78,000	74,000	74,000
7. Bihar and Orissa .	16,492	30,303	25,936	21,000	21,000	31,000
8. Central Provinces .	80,190	72,130	68,995	95,000	83,000	1,00,000
9. Assam . . .	46,872	93,218	84,227	85,000	87,000	86,000
TOTAL .	25,20,941	20,06,262	20,32,207	23,37,000	22,91,000	25,87,000
TOTAL INDIA . ₹	71,90,675	65,96,378	64,60,120	69,69,000	65,93,000	68,71,000
Equivalent in Sterling £	479,378	439,759	430,675	464,600	439,500	458,100
England (mainly stores) . . £	25,440	33,529	34,815	37,800	32,200	40,100
TOTAL . £	504,818	473,288	465,490	502,400	471,700	498,200

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General . .	1,04,131	1,37,049	1,61,565	1,44,000	1,31,000	1,31,000
2. Delhi . . .	...	4,669	4,677	5,000	1,000	1,000
3. Baluchistan . .	762	736	214	...	...	...
4. North-West Frontier .	111	212	283	1,000	1,000	1,000
TOTAL .	1,05,004	1,42,666	1,66,739	1,50,000	1,33,000	1,33,000
Provincial.						
1. Madras . . .	4,79,461	5,71,567	8,67,866	7,93,000	10,00,000	10,87,000
2. Bombay . . .	16,350	17,726	46,128	53,000	45,000	54,000
3. Bengal . . .	1,38,287	1,98,925	4,61,291	3,53,000	5,20,000	5,22,000
4. United Provinces .	13,945	25,339	21,263	20,000	23,000	23,000
5. Punjab . . .	5,261	1,555	7,159	23,000	23,000	29,000
6. Burma . . .	720	310	2,177	1,000	1,000	1,000
7. Bihar and Orissa .	5,060	3,740	2,837	6,000	5,000	5,000
8. Central Provinces .	30,164	32,194	28,184	28,000	27,000	26,000
9. Assam . . .	13,868	10,186	9,594	12,000	9,000	...
TOTAL . .	7,03,116	8,61,542	14,46,499	12,89,000	16,53,000	17,47,000
TOTAL INDIA ₹	8,08,120	10,04,208	16,13,238	14,39,000	17,86,000	18,80,000
Equivalent in Sterling £	53,874	66,947	107,549	95,900	119,100	125,400
England . . . £	761	962	624	900	700	800
TOTAL . £	54,635	67,909	108,173	96,800	119,800	126,200

Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
(a) Scientific—						
i. Survey of India	26,27,411	25,94,086	23,84,144	25,80,000	22,99,000	23,27,000
ii. Geological Survey	3,00,501	3,06,073	2,64,322	3,22,000	2,56,000	2,61,000
iii. Meteorological Survey	3,97,114	4,27,266	4,54,563	4,76,000	4,46,000	4,50,000
iv. Archæological Survey	2,59,834	3,08,433	3,37,503	3,18,000	3,59,000	2,86,000
v. Central Museum	1,59,271	1,44,177	1,41,049	1,33,000	1,35,000	1,38,000
vi. Central Research and X-Ray Institutes	1,72,545	1,93,865	1,76,438	1,69,000	1,54,000	1,70,000
vii. Other items	76,518	75,251	93,592	63,000	69,000	60,000
(b) Labour and Emigration—						
Emigration and other charges	9,548	4,249	4,984	10,000	19,000	18,000
(c) Statistics—						
i. Bureau of Commercial Intelligence, and other charges	1,59,213	1,58,519	1,71,530	1,65,000	1,92,000	1,86,000
ii. Census	2,04,346	40,802	2,510	2,000	3,000	3,000
(d) Miscellaneous—						
i. Imperial Library	40,929	39,692	44,462	46,000	50,000	46,000
ii. Examinations	46,016	47,590	51,224	54,000	48,000	46,000
iii. Chief Inspector of Explosives	72,070	82,939	79,825	85,000	87,000	87,000
iv. Inspector of Mines	90,207	98,312	1,12,728	1,31,000	1,24,000	1,30,000
v. Controller of Patents	37,972	39,768	32,231	41,000	37,000	42,000
vi. Actuary to Government of India	4,008	21,115	22,641	23,000	22,000	24,000
vii. Other items	12,231	7,979	4,167	14,000	7,000	10,000
TOTAL ₹	46,69,734	45,90,116	43,77,913	46,32,000	43,02,000	42,84,000

EXPENDITURE.

123. The figures shown against "Other Provinces" in the table at page 70 represent expenditure incurred in the several provinces in connection with ethnographical surveys and census operations, as well as the cost of the Archæological Department in Burma.

EXPENDITURE.

(a) *Imperial—India and England.*

124. The total expenditure in 1915-16 will fall short of the Budget estimate by ₹4·14 lakhs, owing mainly to lapses in the grants of the Survey of India and Geological Survey Departments, consequent on a curtailment of operations, and in the provision for the purchase of stores in England. *Revised, 1915-16.*

125. The Budget estimate for 1916-17 is higher than the Revised estimate for the current year by ₹1 lakh. The increase is wholly due to a higher provision for the purchase of stores in England. *Budget, 1916-17.*

(b) *Provincial.*

126. The Revised estimate for 1915-16 does not differ materially from the Budget provision. The Budget for 1916-17 is taken at ₹2·96 lakhs higher than the Revised estimate for the current year. The increase occurs mostly in Bengal (₹1·80 lakhs) and Madras (₹·71 lakh) and is chiefly due to lump provisions for the development of local industries. *Revised, 1915-16.* *Budget, 1916-17.*

REVENUE.

(*a*) *Imperial.*

127. The figures show little variation.

(*b*) *Provincial.*

Revised, 1915-16. 128. The improvement in revenue in 1915-16 over the Budget estimate occurs mainly in the receipts from the cinchona plantations in Bengal and Madras. The Budget estimate for 1916-17 anticipates a further rise of R·94 lakh in the revenue, owing chiefly to higher receipts in Madras from fisheries and other sources.

Budget, 1916-17.

27.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
1. India General	1,19,737	1,12,559	1,14,693	1,25,000	1,10,000	1,19,000
2. Delhi	13,137	36,685	55,684	51,000	51,000	51,000
3. Baluchistan	50,659	49,278	43,632	45,000	39,000	38,000
4. North-West Frontier	62,377	66,975	60,278	61,000	61,000	61,000
5. Madras	3,28,195	3,53,700	3,13,673	3,39,000	3,13,000	3,22,000
6. Bombay	5,06,950	5,31,218	5,06,921	5,22,000	5,03,000	4,87,000
7. Bengal	7,62,691	7,93,382	7,45,598	7,35,000	7,38,000	7,34,000
8. United Provinces	7,59,308	7,52,347	7,02,312	7,87,000	7,69,000	8,00,000
9 Punjab	1,21,803	81,638	73,494	70,000	73,000	72,000
10. Burma	1,59,660	1,48,662	1,50,766	1,41,000	1,35,000	1,32,000
11. Bihar and Orissa	53,489	40,762	30,670	50,000	93,000	55,000
12. Central Provinces	1,82,692	1,71,252	1,68,752	1,78,000	1,76,000	1,76,000
13. Assam	4,686	4,511	4,592	5,000	7,000	8,000
TOTAL INDIA . ₹	31,25,384	31,42,969	29,71,065	31,09,000	30,68,000	30,55,000
Equivalent in Sterling £	208,359	209,531	198,071	207,200	204,600	203,700
England . £	11,050	11,189	10,550	10,600	10,600	10,600
TOTAL . £	219,409	220,720	208,621	217,800	215,200	214,300

129. The figures show little variation.

28.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
Imperial.						
India . . . ₹	13,406	19,208	9,018	13,000	17,000	19,000
Equivalent in Sterling £	1,227	1,280	601	900	1,100	1,300
England . . £	410,957	450,326	359,838	83,000	228,000	228,000
TOTAL . £	412,184	451,606	360,439	83,900	229,100	229,300

130. Almost the whole of the expenditure recorded under this head is incurred in England. Leave allowances of officers paid in India are charged to the same head as their salaries, and the small sums shown against India represent leave allowances of officers lent to Foreign States, etc.

Revised, 1915-16.

131. The Revised estimate for 1915-16 exceeds the Budget by £145,200 owing to a partial relaxation of the restrictions on the grant of leave out of India.

Budget, 1916-17.

The Budget estimate for 1916-17 practically repeats the Revised for the current year.

XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1912-13.	Accounts, 1913-14.	Accounts, 1914-15.	1915-16. Budget.	1915-16. Revised.	Budget, 1916-17.
Imperial.						
1. India General	10,33,139	12,06,141	12,58,489	12,60,000	12,91,000	12,52,000
2. Delhi	85,057	1,70,773	1,77,034	1,72,000	1,90,000	1,76,000
3. Baluchistan	20,996	29,244	30,695	28,000	31,000	34,000
4. North-West Frontier	1,45,328	1,70,624	1,70,864	1,72,000	1,80,000	1,95,000
5. Other Provinces	1,01,128	1,08,782	1,03,652	1,11,000	1,05,000	1,06,000
TOTAL	13,85,648	16,85,564	17,40,734	17,43,000	17,97,000	17,63,000
Provincial.						
1. Madras	27,66,814	31,24,098	33,83,557	35,13,000	33,10,000	33,20,000
2. Bombay	33,48,164	36,44,035	38,24,933	38,97,000	38,59,000	39,29,000
3. Bengal	29,25,688	31,00,288	31,98,648	34,29,000	31,73,000	33,71,000
4. United Provinces	32,10,920	34,60,937	36,11,280	38,30,000	36,05,000	37,10,000
5. Punjab	19,17,806	21,72,893	22,61,743	23,91,000	23,28,000	25,34,000
6. Burma	8,55,679	9,27,028	10,72,693	11,95,000	11,04,000	11,71,000
7. Bihar and Orissa	8,31,582	9,07,634	9,21,218	9,76,000	10,01,000	10,31,000
8. Central Provinces	7,57,493	8,66,965	8,88,283	9,80,000	9,50,000	9,90,000
9. Assam	2,43,462	2,83,152	3,08,095	3,13,000	3,35,000	3,37,000
TOTAL	1,68,57,608	1,84,87,030	1,94,70,450	2,05,24,000	1,96,65,000	2,03,93,000
TOTAL INDIA ₹	1,82,43,256	2,01,72,594	2,12,11,184	2,22,67,000	2,14,62,000	2,21,56,000
Equivalent in Sterling £	1,216,217	1,344,840	1,414,079	1,484,500	1,430,800	1,477,000
England £	2,068,102	2,054,647	2,065,655	2,059,000	2,053,000	2,052,000
TOTAL £	3,284,319	3,399,487	3,479,734	3,543,500	3,483,800	3,529,000

REVENUE.

	Accounts, 1912-13.	Accounts, 1913-14.	Accounts, 1914-15.	1915-16. Budget.	1915-16. Revised.	Budget, 1916-17.
Imperial.						
1. India General	3,18,608	3,54,865	3,87,694	3,97,000	3,52,000	3,51,000
2. Delhi	3,710	2,760	3,923	3,000	4,000	4,000
3. Baluchistan	3,428	3,568	5,099	5,000	5,000	5,000
4. North-West Frontier	15,779	19,653	21,324	23,000	20,000	21,000
5. Other Provinces	9,35,399	9,55,641	10,19,025	9,73,000	10,72,000	10,35,000
TOTAL	12,76,924	13,36,487	14,37,065	14,01,000	14,53,000	14,66,000
Provincial.						
1. Madras	93,797	94,511	1,05,362	1,02,000	1,20,000	1,18,000
2. Bombay	3,64,236	3,88,255	4,55,430	4,20,000	4,40,000	4,48,000
3. Bengal	48,210	38,886	58,567	40,000	57,000	56,000
4. United Provinces	66,808	70,992	89,365	75,000	99,000	1,00,000
5. Punjab	90,204	75,601	82,867	70,000	1,05,000	1,00,000
6. Burma	17,935	16,448	18,283	17,000	18,000	18,000
7. Bihar and Orissa	21,116	24,271	31,838	28,000	30,000	30,000
8. Central Provinces	98,070	1,24,284	1,78,420	1,78,000	2,20,000	2,16,000
9. Assam	3,414	4,391	5,259	5,000	6,000	6,000
TOTAL	8,03,790	8,37,639	10,25,391	9,35,000	10,95,000	10,92,000
TOTAL INDIA ₹	20,80,714	21,74,126	24,62,456	23,36,000	25,48,000	25,58,000
Equivalent in Sterling £	138,714	144,941	164,164	155,800	169,900	170,500
England £	61,672	61,869	49,071	34,000	44,000	42,800
TOTAL £	200,386	206,810	213,235	189,800	213,900	213,300

132. The figures of Imperial revenue shown against "Other Provinces" represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

EXPENDITURE.

(*a*) *Imperial—India and England.*

133. The figures show little variation.

(*b*) *Provincial.*

Revised, 1915-16. 134. The Revised estimate for 1915-16 is less than the Budget by R8·59 lakhs, owing to a smaller growth of pension charges, and reduced payments in connection with the commutation of pensions mostly in Bengal, the Punjab and the United Provinces. The Budget estimate for 1916-17 provides for the normal growth of the retired list.

Revised, 1915-16.

REVENUE.

(*a*) *Imperial—India and England.*

Revised, 1915-16. 135. The Revised estimate for 1915-16 exceeds the Budget by R2·02 lakhs, mainly owing to receipt of higher subscriptions towards Indian Civil Service family pensions. The Budget estimate for 1916-17 does not differ materially from the Revised for 1915-16.

Budget, 1916-17.

(*b*) *Provincial.*

Revised, 1915-16. 136. The Revised estimate for 1915-16 exceeds the Budget by R1·60 lakhs, the increase occurring mainly in the receipts of contributions from local bodies to secure pensionary benefits from general revenues for their servants. The Budget estimate for 1916-17 does not differ materially from the Revised for 1915-16.

Budget, 1916-17.

XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. Central Stationery Office	2,67,224	2,77,711	2,32,764	2,43,000	2,51,000	2,46,000
2. Stationery purchased for Central stores.	39,10,253	44,53,180	41,38,635	42,30,000	43,50,000	42,65,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	17,15,030	17,38,997	18,00,821	18,41,000	19,33,000	19,43,000
4. Other charges	11,070	9,331	7,508	11,000	8,000	10,000
5. *Deduct*—Value of supplies to Local Governments and Administrations and to Postal and Telegraph Department, etc.	—47,79,771	—49,68,584	—49,10,865	—48,36,000	—51,39,000	—51,88,000
6. Delhi	4,788	10,138	11,256	14,000	16,000	11,000
7. Baluchistan	1,532	2,100	2,513	3,000	2,000	3,000
8. North-West Frontier	91,183	1,09,250	1,12,161	1,22,000	1,17,000	1,24,000
TOTAL	12,21,309	16,32,123	13,94,793	16,28,000	15,38,000	14,14,000
Provincial.						
1. Madras	17,43,062	15,87,854	14,79,937	15,92,000	15,48,000	15,85,000
2. Bombay	13,58,931	14,97,543	15,34,087	14,10,000	14,64,000	14,05,000
3. Bengal	13,34,429	14,85,406	12,69,717	13,87,000	13,17,000	13,48,000
4. United Provinces	8,73,853	9,18,067	9,78,237	9,31,000	9,77,000	9,32,000
5. Punjab	6,72,460	6,67,651	7,70,683	7,70,000	7,95,000	8,22,000
6. Burma	7,94,109	6,91,512	7,29,399	7,46,000	7,45,000	7,25,000
7. Bihar and Orissa	3,21,904	3,16,285	5,55,141	6,89,000	7,16,000	6,80,000
8. Central Provinces	3,26,223	4,05,077	4,01,092	4,25,000	4,19,000	4,02,000
9. Assam	1,70,639	1,65,196	1,69,788	1,81,000	1,81,000	1,81,000
TOTAL	75,95,610	77,34,591	78,88,081	81,31,000	81,62,000	80,80,000
TOTAL INDIA ₹	88,16,919	93,66,714	92,82,874	97,59,000	97,00,000	94,94,000
Equivalent in Sterling £	587,795	624,448	618,859	650,600	646,700	632,900
England { Stores £	85,314	99,812	105,818	95,000	114,700	99,400
England { Other charges £	6,433	5,496	7,589	8,100	8,300	8,300
TOTAL £	679,542	729,756	732,266	753,700	769,700	740,600

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	3,98,311	4,54,839	4,68,362	4,23,000	4,50,000	4,10,000
2. Delhi	990	5,131	4,479	6,000	6,000	8,000
3. Baluchistan	561	205	71	...	...	...
4. North-West Frontier	17,993	20,387	23,666	24,000	20,000	23,000
5. Other Provinces	1,75,750	1,42,784	1,90,986	2,03,000	1,61,000	1,72,000
TOTAL	5,93,605	6,23,346	6,87,564	6,56,000	6,37,000	6,13,000
Provincial.						
1. Madras	1,10,699	1,33,155	1,26,551	1,23,000	1,20,000	1,17,000
2. Bombay	1,27,537	1,13,039	1,24,721	1,06,000	1,26,000	1,17,000
3. Bengal	1,20,103	1,37,862	1,49,604	1,32,000	1,16,000	1,27,000
4. United Provinces	1,52,927	1,67,652	1,54,113	1,66,000	1,58,000	1,59,000
5. Punjab	1,43,521	72,208	79,627	92,000	80,000	1,10,000
6. Burma	54,243	52,425	47,328	55,000	48,000	48,000
7. Bihar and Orissa	29,497	29,110	30,478	30,000	20,000	25,000
8. Central Provinces	38,545	64,813	57,202	73,000	57,000	60,000
9. Assam	10,490	7,633	6,718	8,000	7,000	7,000
TOTAL	7,87,562	7,77,897	7,76,342	7,85,000	7,32,000	7,70,000
TOTAL INDIA ₹	13,81,167	14,01,243	14,63,906	14,41,000	13,69,000	13,83,000
Equivalent in Sterling £	92,078	93,416	97,594	96,000	91,200	92,200

EXPENDITURE.

(a) *Imperial, India and England.*

Revised, 1915-16.

137. The total Imperial expenditure in 1915-16, exclusive of the charges of the commercial departments, is likely to exceed the Budget provision by R2·09 lakhs, the increase being due to a higher outlay in England on the purchase of stores consequent on a rise in prices. The Budget estimate for 1916-17 anticipates a reduction in the expenditure on the purchase of stores in England in view of the need for economy.

Budget, 1916-17.

(b) *Provincial.*

Revised, 1915-16.

138. The Revised estimate for 1915-16 does not show any important variations from the Budget. The Budget estimate for 1916-17 anticipates a reduction of R·82 lakh in the total expenditure, as compared with the current year, this being the net result of a number of unimportant variations in the several provinces.

Budget, 1916-17.

REVENUE.

139. The figures do not show any important variation. The Imperial revenue shown against "Other provinces" represents recovery of the value of stationery supplied to railways and to municipalities and other local bodies.

XXIV AND 31.—EXCHANGE.

	Accounts, 1912-13.	Accounts, 1913-14.	Accounts, 1914-15.	1915-16.		Budget, 1916-17.
				Budget.	Revised.	
Revenue . . ₹	15,13,188	17,96,110	25,942	...	13,00,000	...
Equivalent in Sterling £	100,879	119,741	1,729	...	86,700	...
Expenditure . . ₹	...	...	...	...	...	...
Equivalent in Sterling £	...	...	...	...	...	...

140. This head records the comparatively small sums which have to be brought to account owing to the fact that the remittances from India to England by means of council bills and transfers, and the remittances in the opposite direction by sterling bills and transfers, are not effected exactly at the rate of 16 pence to the rupee. It may be mentioned that any gain derived from remittances on account of the Gold Standard Reserve is credited to the Reserve and not to general revenues.

141. In the current year, the average rate to be obtained on the net remittance of funds from India to England is estimated at £1=₹14·92, and there is accordingly a gain of ₹13 lakhs under this head. In the Budget estimate for next year, it is assumed, in accordance with the usual practice, that remittances will be effected at an average rate of par. *Revised, 1915-16.* *Budget, 1916-17.*

XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. Remittance charges mainly in connection with movements of Government funds	6,65,248	5,50,269	5,27,011	5,82,000	4,35,000	5,57,000
2. Special Commissions of enquiry	1,41,701	5,61,686	3,23,849	65,000	86,000	...
3. Charges arising out of the War adjusted in Civil Department	...	...	1,15,204	4,93,000	4,86,000	4,69,000
4. Other charges:						
(*a*) in Delhi	9,840	38,386	88,170	98,000	48,000	1,08,000
(*b*) in the N.-W. Frontier Province	25,586	36,272	46,078	42,000	35,000	39,000
(*c*) elsewhere	3,16,809	33,13,006	15,73,432	13,04,000	7,35,000	19,49,000
Total	11,59,184	44,99,619	26,73,744	25,84,000	18,25,000	31,22,000
Provincial.						
1. Madras	5,15,369	5,22,297	4,19,234	4,94,000	4,22,000	4,32,000
2. Bombay	6,36,161	7,79,040	6,20,129	5,57,000	8,32,000	5,54,000
3. Bengal	4,25,610	5,87,418	4,38,208	10,16,000	6,58,000	12,28,000
4. United Provinces	1,86,440	4,41,144	2,26,402	3,96,000	3,52,000	5,71,000
5. Punjab	5,45,225	3,76,195	4,43,698	8,07,000	3,65,000	8,81,000
6. Burma	4,52,004	4,89,160	4,85,695	5,23,000	5,22,000	5,11,000
7. Bihar and Orissa	1,04,857	1,35,329	1,40,776	2,16,000	1,63,000	2,16,000
8. Central Provinces	1,62,005	1,25,805	1,62,041	1,64,000	1,44,000	1,26,000
9. Assam	3,65,964	3,82,123	4,23,223	4,10,000	5,18,000	5,13,000
Total	33,93,635	38,38,511	33,59,406	45,83,000	39,76,000	50,32,000
TOTAL INDIA . ₹	45,52,819	83,38,130	60,33,150	71,67,000	58,01,000	81,54,000
Equivalent in Sterling £	303,521	555,875	402,210	477,800	386,700	543,600
England . . £	27,257	46,360	128,114	43,700	46,700	26,500
TOTAL £	330,778	602,235	530,324	521,500	433,400	570,100

REVENUE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General	6,66,587	7,00,680	20,78,670	4,90,000	3,88,000	4,61,000
2. Delhi	10,550	36,383	45,390	50,000	37,000	41,000
3. Baluchistan	37,404	4,980	14,992	5,000	6,000	5,000
4. North-West Frontier	1,41,474	1,17,698	1,19,089	1,20,000	1,28,000	1,23,000
5. Other Provinces	6,77,177	8,47,150	4,43,531	8,63,000	6,89,000	5,94,000
TOTAL	15,33,192	17,06,891	27,01,672	15,28,000	12,48,000	12,24,000
Provincial.						
1. Madras	3,47,294	3,67,487	2,24,891	3,32,000	3,15,000	2,98,000
2. Bombay	2,03,612	82,637	1,02,969	77,000	84,000	81,000
3. Bengal	7,72,389	7,68,760	6,71,057	6,90,000	6,30,000	6,52,000
4. United Provinces	3,31,376	5,45,347	4,26,445	4,52,000	4,62,000	4,29,000
5. Punjab	10,05,405	6,35,691	4,17,971	5,53,000	3,83,000	3,60,000
6. Burma	1,21,139	73,337	74,187	80,000	85,000	80,000
7. Bihar and Orissa	3,05,276	2,64,766	4,03,161	3,06,000	3,00,000	2,85,000
8. Central Provinces	2,09,422	1,86,431	2,07,555	1,84,000	1,79,000	1,84,000
9. Assam	67,549	46,659	25,770	49,000	34,000	43,000
TOTAL	33,63,412	29,71,615	25,54,006	27,23,000	24,72,000	24,12,000
TOTAL INDIA . ₹	48,96,604	46,78,506	52,55,678	42,51,000	37,20,000	36,36,000
Equivalent in Sterling £	326,440	311,901	350,378	283,400	248,000	242,400
England . . £	45,424	40,711	14,814	14,000	15,300	17,200
TOTAL £	371,864	352,612	365,192	297,400	263,300	259,600

142. Charges in connection with the remittance of Government treasure are Imperial in all provinces; so is the discount paid, or the premium levied, in connection with the sale of bills at treasuries and currency offices to facilitate trade remittances of funds. Extraordinary items of revenue realised, or of expenditure incurred, under this head in the various provinces are also treated as Imperial, if they exceed ₹10,000 in amount.

EXPENDITURE.

(*a*) *India—Imperial.*

Revised, 1915-16.

143. The Revised estimate for 1915-16 falls short of the Budget by ₹7·59 lakhs. Out of the reserve of ₹10·5 lakhs (including ₹·5 lakh for Delhi) for unforeseen charges, which was provided in the Budget under Miscellaneous, only ₹4·09 lakhs will be used to meet expenditure falling under this head, *viz.*, (1) a payment of ₹3·05 lakhs to the Mysore Durbar on account of surplus revenues of the Bangalore Assigned Tract, and (2) an outlay of ₹1·04 lakhs, in excess of the Budget allotment, on books and publications. The balance of the reserve, amounting to ₹6·41 lakhs, has been appropriated to meet sanctioned outlay under other heads of account. There is also a saving of ₹1·47 lakhs in the charges for the remittance of treasure, due to smaller movements of coin.

Budget, 1916-17.

144. The Budget estimate for 1916-17 provides for normal charges; for miscellaneous expenditure connected with the war likely to be incurred in the ensuing year; and for a reserve of ₹15·5 lakhs for unforeseen expenditure, of which ₹·5 lakh is for Delhi.

(*b*) *India—Provincial.*

Revised, 1915-16.

145. The Revised estimate for 1915-16 is less than the Budget by ₹6·07 lakhs. The decrease is mainly due to the record under other heads of account of most of the expenditure incurred against the lump provision for grain compensation allowance and against the various other reserves which were included in the Budget estimates of several provinces under Miscellaneous; and to a lapse in the allotment made in the Punjab for the general introduction of the new copying agency rules. A certain amount of unforeseen expenditure has been incurred in Bombay in connection with famine fodder operations; and in Bengal, Assam and the United Provinces, for relief of distress caused by floods, etc.

Budget, 1916-17.

146. The Budget estimate for 1916-17 provides generally for normal charges and for the usual reserve for unforeseen expenditure in most provinces. In Bengal and the United Provinces, lump allotments have again been made for grain compensation charges.

(*c*) *England.*

Revised, 1915-16.

147. The Revised estimate for 1915-16 does not differ materially from the Budget, an increase of £5,600 in the charges of the Public Services Commission being partly counterbalanced by a fall in the miscellaneous expenditure connected with the supply of stores to India. The Budget estimate for 1916-17 is taken at £20,200 less than the Revised for the current year, owing to a further probable decrease in the latter item of expenditure and the absence of the charges of the Public Services Commission.

Budget, 1916-17.

REVENUE.

(*a*) *India—Imperial.*

Revised, 1915-16.

148. The Revised estimate for 1915-16 is less than the Budget by ₹2·80 lakhs. The decrease is mainly due to a reduction in the special receipts from the sale of town sites in the Punjab, smaller recoveries of departmental charges in connection with the supply of stores to Provincial Governments and local bodies, and a fall in the revenue derived from premium on bills. The Budget estimate for 1916-17 provides generally for normal receipts.

Budget, 1916-17.

(*b*) *Provincial.*

Revised, 1915-16.

149. The total revenue in 1915-16 is likely to fall short of the Budget estimate by R2·51 lakhs. The decline is mainly due to the postponement of the general introduction of the new copying agency rules in the Punjab, and to smaller receipts on account of unclaimed deposits in this province and also in Bengal, Bihar and Orissa, and Assam.

Budget, 1916-17.

The Budget estimate for 1916-17 provides generally for normal receipts.

(*c*) *England.*

150. The figures show little variation.

33 TO 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1912-13.	Accounts, 1913-14.	Accounts, 1914-15.	1915-16.		Budget, 1916-17.
				Budget.	Revised.	
INDIA.						
Famine Relief { Imperial	28,33,278	23,62,671	26,43,201	1,06,000	6,00,000	6,94,000
Famine Relief { Provincial	...	...	15,55,076	...	...	...
Construction of Protective Railways . .	4,10,978	1,17,532	—19,669	...	—5,000	—10,000
Construction of Protective Irrigation Works	62,87,484	71,28,997	72,46,125	72,52,000	74,08,000	61,84,000
Reduction or Avoidance of Debt . . .	51,48,053	51,37,329	33,01,723	73,94,000	69,00,000	78,16,000
TOTAL INDIA R	1,46,79,793	1,47,46,529	1,47,26,456	1,47,52,000	1,49,03,000	1,46,84,000
Equivalent in Sterling £.	978,653	983,102	981,764	983,500	993,500	978,900
ENGLAND.						
Construction of Protective Railways . .	14,012	741	...	...	...	...
Construction of Protective Irrigation Works	7,335	16,157	18,236	16,500	6,500	21,10
TOTAL INDIA AND ENGLAND . .	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

151. The expenditure in the current year under the head Famine Relief is now estimated at R6 lakhs, the principal items being an outlay of (1) R4 lakhs in the Punjab in connection with fodder concessions, and (2) R1·20 lakhs in Bihar and Orissa on relief operations in certain districts. *Revised, 1915-16.*

152. The amount available for famine insurance in 1915-16 accordingly amounts to R144 lakhs, of which R75 lakhs will be spent on protective works and R69 lakhs will be appropriated for the reduction or avoidance of debt.

153. In the Budget estimate for 1916-17 provision has been made, as usual, for a total grant of R150 lakhs under this group head. Out of this amount, a sum of R6·94 lakhs will be required to meet expenditure debitable to the head Famine Relief, in connection with relief operations and fodder concessions mainly in the Punjab, Bihar and Orissa and Ajmer-Merwara; and R64·90 lakhs have been allotted for the construction of protective works. The remainder, *viz.*, R78·16 lakhs, will be utilised for the avoidance of debt. Of the last named sum, R14·48 lakhs will appear in the Provincial section of the estimates as a result of the arrangements explained in the Financial Statement for 1907-08 (see also paragraph 231). *Budget, 1916-17.*

CONSTRUCTION OF PROTECTIVE RAILWAYS.

154. The small *minus* figures entered in the Revised estimate for 1915-16 and in the Budget for 1916-17 represent the value of surplus stores of the Dharmapuri-Hosur extension of the Morappur-Dharmapuri Railway. No outlay on the construction of Protective railways is contemplated in either of the two years.

CONSTRUCTION OF PROTECTIVE IRRIGATION WORKS.

155. In the Budget estimate for 1915-16, an allotment of R75 lakhs was made for outlay on Protective Irrigation works, the whole amount being met from the Famine Insurance grant. The probable expenditure, according to the Revised estimate, will amount to R78·30 lakhs, owing mainly to more rapid progress of work on the Ghaggar canal. R75·05 lakhs of the outlay will be recorded in the Famine Relief and Insurance section of the accounts; and the remaining 3·25 lakhs will appear in the Irrigation section. *Revised, 1915-16.*

Budget, 1916-17.

156. In the Budget estimate for 1916-17 the allotment for Protective Irrigation works has been reduced to R65 lakhs, with reference to the policy of retrenchment, the whole amount being met from the Famine Insurance grant. The distribution of the grant of R65 lakhs is given in the table below.

	1915-16.		Budget. 1916-17.
	Budget.	Revised.	
	R	R	R
1. Madras :			
(i) Mopad project	3,52,000	3,06,000	2,48,000
(ii) Other projects	73,000	54,000	59,000
2. Bombay :			
(i) Godaveri Canal	2,66,000	2,41,000	1,57,000
(ii) Chankapur Tank	49,000	49,000	92,000
(iii) Pravara river project	10,53,000	8,14,000	8,22,000
(iv) Nira Right Bank Canal	32,00,000	26,23,000	26,57,000
(v) Other projects, etc.	82,000	51,000	1,12,000
3. Bengal	2,000	2,000	2,000
4. United Provinces :			
(i) Barwar Lake and Canal	1,22,000	98,000	57,000
(ii) Ken Canal (including Gangao dam)	2,79,000	2,44,000	8,000
(iii) Dassan „	35,000	78,000	23,000
(iv) Ghaggar „	5,88,000	9,79,000	6,90,000
(v) Other projects, etc.	1,37,000	1,47,000	1,22,000
5. Bihar :			
(i) Tribeni Canal	1,85,000	64,000	60,000
(ii) Other projects, etc.	15,000	21,000	24,000
6. Central Provinces :			
(i) Tandula Canal	11,42,000	11,69,000	9,67,000
(ii) Tank projects	6,63,000	6,92,000	5,23,000
(iii) Other projects, etc.	2,49,000	1,93,000	1,70,000
7. Minor administrations	8,000	5,000	7,000
Deduct—Allowance for possible lapses in grants	*10,00,000*	...	*3,00,000*
	75,00,000	78,30,000	65,00,000
Deduct—Amount provided in the Irrigation Section (*vide* page 91) outside the Famine Insurance grant	...	*3,25,000*	...
Net provision under head "35.—Construction of Protective Irrigation Works"	75,00,000	75,05,000	65,00,000

XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1912-13.	Accounts, 1913-14.	Accounts, 1914-15.	1915-16.		Budget, 1916-17.
				Budget.	Revised.	
STATE RAILWAYS—		₹	₹	₹	₹	₹
Gross Receipts	55,02,95,453	56,31,92,029	54,15,77,506	53,01,26,000	57,15,34,000	56,36,70,000
Deduct—						
Working Expenses	28,02,31,303	29,35,91,182	29,52,87,164	29,86,96,000	29,79,04,000	30,13,20,000
Surplus profits paid to Companies, etc.	1,06,44,626	66,12,854	1,03,63,467	73,23,000	89,26,000	93,00,000
Net Receipts	25,94,19,524	26,29,87,993	23,59,26,875	22,41,07,000	26,47,04,000	25,30,50,000
Net Revenue equivalent at ₹15=£1	£ 17,294,635	£ 17,532,533	£ 15,728,458	£ 14,940,400	£ 17,646,900	£ 16,869,900
Interest and capital redemption charges—						
Interest on Debt	6,683,164	6,887,842	7,814,441	7,666,800	7,978,000	8,050,000
Annuities in purchase of Railways	3,357,672	3,379,581	3,357,665	3,357,700	3,357,700	3,357,700
Sinking Funds	184,437	191,707	199,554	208,100	208,900	217,700
Interest chargeable against Companies on advances	389,384	415,303	97,773	98,900	98,700	98,700
Interest on Capital deposited by Companies	1,854,062	1,952,416	1,986,467	2,253,300	2,131,800	2,231,700
	12,468,719	12,826,849	13,455,900	13,584,800	13,775,100	13,955,800
Net Result	4,825,916	4,705,684	2,272,558	1,355,600	3,871,800	2,914,100
GUARANTEED RAILWAYS—						
Net Result	3,980	...	...	...	...	...
Other Receipts	73,174	93,101	70,691	88,900	92,400	85,100
Other Charges	99,716	9,252	185,215	254,700	215,700	261,300
Net Result	—26,542	83,849	—114,524	—165,800	—123,300	—176,200
TOTAL NET RESULT	4,803,354	4,789,533	2,158,034	1,189,800	3,748,500	2,737,900
Redemption of capital from revenue	840,561	869,165	898,766	929,427	929,427	961,160
STATISTICS—						
State Railways—						
Capital Expenditure to March 31st—						
Expenditure by Government*	204,310,398	214,768,922	236,266,689†	224,057,856	237,561,822	240,361,722
Expenditure by Companies	39,687,927	41,510,962	29,074,149†	42,870,562	29,157,649	29,355,749
Outlay on the East Indian Railway from Debentures raised by the Company	14,587,268	14,587,268	14,587,268	18,087,268	18,046,868	18,046,868
Outlay on the South Indian Railway by the Company	1,513,816	1,513,816	3,809,060	3,809,016	3,809,060	3,809,060
Outlay on the Bombay, Baroda and Central India Railway by the Company	972,697	1,007,364	1,080,697	1,113,030	1,120,364	1,123,364
Outlay on the Great Indian Peninsula Railway by the Company	3,253,158	3,253,158	3,253,158	6,253,158	3,253,158	3,253,158
TOTAL	264,325,264	276,641,490	288,071,021	296,190,890	292,948,921	295,949,921
Miles open on the 1st April	25,200	25,437	26,106	26,379	26,369	26,511

* The figures against this line include contribution by the Jaipur Darbar towards Capital outlay on the Nagda Muttra Railway, as follows :—

£ 66,667	£ 266,667	£ 333,333	£ 400,000	£ 400,000	£ 466,667

† The overdraft of, and advances to, the Bengal Nagpur Railway Company amounting to £13,451,400 on the 31st December 1910 have been transferred in the accounts of 1914-15, from "expenditure by companies" to "expenditure by Government".

157. The Gross Receipts and Working Expenses of State Railways include the following figures on account of the Jorhat State Railway in Assam. This is the only line the transactions of which are recorded in the Provincial section of the accounts:—

	Accounts, 1912-13.	Accounts, 1913-14.	Accounts, 1914-15.	Budget, 1915-16.	Revised, 1915-16.	Budget, 1916-17.
	R	R	R	R	R	R
Gross Receipts . . .	1,22,589	1,23,805	1,27,545	1,20,000	1,40,000	1,40,000
Working Expenses . . .	84,546	89,499	1,27,109	96,000	1,05,000	1,08,000

Revised, 1915-16.
Gross Receipts.

158. The Budget estimate of Gross Receipts for 1915-16 was taken at 53·01 crores, or 45 lakhs lower than the probable receipts of the previous year as then estimated. It was assumed that war conditions would continue to be operative throughout the year and would gravely prejudice the revenue. This anticipation has not been fully realised. The recovery in earnings which set in in March last has continued in a greater or less degree throughout the year and the Revised estimate is now placed at 57·15 crores. The improvement, which is shared in by all the principal railways—notably the Great Indian Peninsula, Bombay Baroda and Central India, Madras and Southern Mahratta and Bengal-Nagpur—is partly attributable to large movements of cotton and manganese ore, to diversion of coal traffic from over-sea routes to rail routes owing to scarcity of freight and to improved coaching receipts from the transport of troops.

Working Expenses.

159. The Revised estimate of Working Expenses for 1915-16 stands at 7·92 lakhs below the Budget estimate, a remarkable result for a year in which the estimate of receipts is expected to exceed the Budget anticipation by over 4 crores. The principal causes of this are the restriction of expenditure, and especially outlay on special renewals, to the amount which is imperative or immediately remunerative, and the increasing difficulty of obtaining railway material from the United Kingdom.

Surplus Profits.

160. The increase of 16·03 lakhs in the provision for payment of surplus profits to companies follows on the improvement in their net traffic receipts in the last quarter of the preceding year.

Budget, 1916-17.
Gross Receipts.

161. The Budget estimate of Gross Receipts for 1916-17 is taken at 56·37 crores, or about 80 lakhs less than the Revised estimate for the current year. It is not considered safe to assume that, with the further continuance of the war, the record earnings of this year will be fully maintained, though necessary allowance has been made for development of traffic on new lines and extensions.

Working Expenses.

162. The grant for Working Expenses in 1916-17 is more than the Revised for the current year by 34·16 lakhs and provides for a further rise in the price of imported materials required for railway working.

Surplus Profits.

163. Under Surplus Profits paid to companies there is an increase of 3·74 lakhs due to profits earned in the second half of the current year, payment of which will be made next year, being larger than those of the second half of 1914-15.

Interest Charges, etc.

Revised, 1915-16.

164. The excess over the Budget estimate of 1915-16 under Interest on debt is explained in paragraph 65. The decrease under Interest on capital deposited by companies is due mainly to the Great Indian Peninsula Railway not having raised Debenture Stock as provided for in the Budget and to the East Indian Railway having issued Debenture Stock later in the year than was anticipated.

Budget, 1916-17.

165. The increase in the total Interest charges in 1916-17 is a result of the continued growth of capital outlay on railways.

Other Receipts.

166. The receipts shown under this head represent recoveries from the Travancore Darbar of its share of the loss on the Travancore Branch of the

South Indian Railway; the Government share of the surplus profits of the Rohilkund and Kumaon, Southern Punjab and Amritsar Patti Railways, payable under the terms of their respective contracts; and dividends on certain shares of the Ahmedabad Dholka Railway allotted to Government in repayment of expenditure incurred by it on behalf of the railway. The improvement of R·53 lakh (£3,500) on the Budget estimate of receipts in the current year and the decrease of R1·10 lakhs (£7,300) provided in the Budget of 1916-17 are mainly due to the variation in the Government share of surplus profits of the Southern Punjab Railway Company.

Other Charges.

167. These consist of cost of land required by certain Companies, the contracts with which provide for the free supply of all land wanted for the purposes of the railways undertaken by them, and of miscellaneous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each railway company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The details are :—

	Accounts, 1914-15.	1915-16.		1916-17
		Budget.	Revised.	Budget.
Imperial.	R	R	R	R
1. Subsidized Companies—Land	14,62,087	30,00,000	26,50,000	35,00,000
2. Miscellaneous Expenditure	13,08,380	8,04,000	5,59,000	4,00,000
Provincial.				
1. Subsidized Companies—Land	7,760	17,000	14,000	15,000
2. Miscellaneous Expenditure	...	...	12,000	5,000
TOTAL R	27,78,227	38,21,000	32,35,000	39,20,000
TOTAL £	185,215	254,700	215,700	261,300

Land.—A lapse of R3·50 lakhs is expected in the Imperial Budget grant for the current year, due chiefly to short outlay on the Ahmedpur Katwa, Chaparmukh Silghat, Kalighat Fulta and Tinnevelly Tiruchendur Railways and to the postponement of acquisition of land for the Dindigul Palghat Railway, partly counterbalanced by increases on the Mymensingh Bhairab Bazar, Sara Serajgunj and Guzerat Railways. The principal allotments made in 1916-17 are for the Kalighat Fulta, Sara Serajgunj, Mymensingh Bhairab Bazar, Ahmedpur Katwa, Jaijou Extension, Katakhal Lalla Bazar and Mayavaram Tranquebar Railways.

Miscellaneous Expenditure.—The lapse of R2·45 lakhs in the Revised estimate for 1915-16 is due chiefly to survey operations being restricted in consequence of officers having been placed on military duty and to realization of unanticipated credits. The Budget for 1916-17 is made up as follows :—

	R
Allotment for surveys	5,81,000
Charges for Railway Board and other establishments	14,57,000
Deduct—Recoveries from Railway Companies on account of cost of supervision	*16,38,000*
TOTAL	4,00,000

XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
MAJOR WORKS.	R	R	R	R	R	R
Revenue { Direct Receipts	3,91,12,179	4,14,89,485	4,13,77,353	4,15,38,000	4,15,25,000	4,29,59,000
Revenue { Land Revenue	2,30,73,667	2,52,65,614	2,50,17,962	2,61,43,000	2,60,10,000	2,54,05,000
Expenditure { Working Expenses	1,75,26,591	1,82,16,430	1,93,40,897	1,90,71,000	2,05,79,000	2,05,12,000
Expenditure { Interest	1,73,66,737	1,77,92,499	1,92,62,258	1,95,16,000	2,00,62,000	2,07,28,000
NET REVENUE IN INDIA . . R	2,72,92,518	3,07,46,170	2,77,92,160	2,90,94,000	2,68,94,000	2,71,24,000
Equivalent in Sterling £	1,819,501	2,049,744	1,852,811	1,939,600	1,792,900	1,808,300
Expenditure in England (mainly Interest) . £	124,731	118,693	125,379	122,200	126,800	127,600
NET REVENUE . £	1,694,770	1,931,051	1,727,432	1,817,400	1,666,100	1,680,700
CONSTRUCTION OF PROTECTIVE WORKS . £	...	83,689	59,863	...	21,700	...
MINOR WORKS.						
Receipts—Direct . .	39,82,403	39,42,289	38,19,224	42,48,000	40,12,000	41,97,000
Expenditure . .	1,27,36,211	1,39,15,998	1,49,28,446	1,43,42,000	1,36,63,000	1,34,09,000
NET EXPENDITURE IN INDIA . . . R	87,53,808	99,73,709	1,11,09,222	1,00,94,000	96,51,000	92,12,000
Equivalent in Sterling £	583,587	664,914	740,615	672,900	643,400	614,200
Expenditure in England £	1,894	1,156	253	...	600	...
NET EXPENDITURE £	585,481	666,070	740,868	672,900	644,000	614,200
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31 . . . R	56,32,80,455	59,16,14,071	61,68,30,309	64,12,38,000	63,80,53,000	65,78,39,000
Equivalent in Sterling £	37,552,030	39,440,938	41,122,020	42,749,200	42,536,900	43,856,000

General Result.

Major Irrigation.

168. Taking India as a whole, the net revenue derived from Major Irrigation works in 1915-16 will be less than the Budget forecast by £151,300 (R22·69 lakhs). There will be a fall of R·13 lakh in the Direct Receipts and of R1·33 lakhs in the share of Land Revenue. There will also be a large increase of R21·23 lakhs in the expenditure, *viz.*, R15·08 lakhs under Working Expenses and R6·15 lakhs in the interest charges. An improvement of £14,600 (R2·18 lakhs) is expected in the net revenue in 1916-17. This allows for a rise of R8·29 lakhs in the gross revenue, made up of an increase of R14·34 lakhs in the Direct Receipts and a fall of R6·05 lakhs in the share of Land Revenue, and a small reduction of R·67 lakh in Working Expenses. But provision has been made for a growth of R6·78 lakhs in the interest charges, in consequence of the considerable outlay now being incurred on new projects in the Punjab and elsewhere the benefits of which will not be realised for some time to come. The net result under Minor Irrigation works in 1915-16 is better than the Budget estimate by £28,900 (R4·34 lakhs), a decline of R2·36 lakhs in revenue being more than counterbalanced by a saving of R6·70 lakhs in expenditure. The estimate for next year provides for a rise of R1·85 lakhs in the receipts and for a reduction of R2·63 lakhs in expenditure.

Minor Irrigation.

169. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 11 and 12 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. North-West Frontier	8,21,632	8,51,212	8,24,856	9,30,000	8,58,000	9,50,000
2. United Provinces .	2,43,041	4,44,386	2,68,703	4,79,000	5,58,000	5,25,000
3. Burma . .	10,03,899	12,43,922	11,14,152	12,00,000	12,10,000	12,73,000
4. Central Provinces .	93,231	1,39,771	98,812	1,04,000	1,09,000	1,63,000
Total .	21,61,803	26,79,291	23,06,523	27,13,000	27,35,000	29,11,000
Divided and Provincial.						
1. Madras . .	2,74,097	2,65,374	3,00,299	2,62,000	2,80,000	2,77,000
2. Bombay . .	13,68,033	17,40,211	16,85,235	15,97,000	15,05,000	16,72,000
3. Bengal . . .	2,73,918	2,46,579	2,53,962	2,40,000	2,57,000	2,57,000
4. United Provinces .	79,57,265	93,25,086	99,87,724	89,75,000	95,45,000	96,70,000
5. Punjab . .	2,47,46,266	2,46,57,424	2,43,97,210	2,52,01,000	2,45,03,000	2,55,00,000
6. Bihar and Orissa .	23,30,797	25,75,520	24,46,400	25,50,000	27,00,000	26,72,000
Total .	3, 9,50,376	3,88,10,194	3,90,70,830	3,88,25,000	3,87,90,000	4,00,48,000
TOTAL R	3,91,12,179	4,14,89,485	4,13,77,353	4,15,38,000	4,15,25,000	4,29,59,000
Equivalent in Sterling £	2,607,478	2,765,966	2,758,490	2,769,200	2,768,300	2,864,000

WORKING EXPENSES.

Imperial.						
1. India General (Reserve) . .	...	...	...	63,000	...	...
2. North-West Frontier	3,10,719	3,03,887	3,44,400	6,00,000	6,57,000	6,05,000
3. United Provinces .	3,90,411	4,64,160	4,46,691	4,57,000	4,87,000	4,80,000
4. Burma . . .	4,47,428	4,45,896	9,36,825	6,02,000	6,28,000	5,80,000
5. Central Provinces .	81,023	75,429	77,880	78,000	85,000	85,000
Total .	12,29,581	12,89,372	18,05,796	18,00,000	18,57,000	17,00,000
Divided and Provincial.						
1. Madras . .	20,50,980	23,77,656	25,16,067	21,10,000	22,75,000	22,50,000
2. Bombay . .	16,24,984	16,68,166	15,26,155	15,44,000	16,47,000	15,42,000
3. Bengal . . .	2,35,717	2,97,789	2,57,700	2,67,000	2,00,000	1,90,000
4. United Provinces .	28,97,451	29,60,062	30,17,065	29,88,000	29,53,000	30,45,000
5. Punjab . .	82,21,807	83,21,486	87,97,090	89,42,000	1,01,01,000	1,03,00,000
6. Bihar and Orissa .	12,66,071	13,01,899	14,21,024	14,20,000	15,46,000	14,35,000
Total .	1,62,97,010	1,69,27,058	1,75,35,101	1,72,71,000	1,87,22,000	1,88,12,000
TOTAL INDIA R	1,75,26,591	1,82,16,430	1,93,40,897	1,90,71,000	2,05,79,000	2,05,12,000
Equivalent in Sterling £	1,168,439	1,214,429	1,289,393	1,271,400	1,371,900	1,367,500
England . . £	1	14	...	...	...	...
Total .	1,168,440	1,214,443	1,289,393	1,271,400	1,371,900	1,367,500

Direct Receipts.

(a) *Imperial.*

Revised, 1915-16. 170. The total Revised estimate for 1915-16 does not differ materially from the Budget, a fall of R·72 lakh in the revenue of the Upper and Lower Swat River Canals being more than counterbalanced by an improvement in the collections in the United Provinces (R·79 lakh), owing to an increased demand for irrigation from the Betwa Canal, and in Burma and in the Central Provinces.

Budget, 1916-17. 171. The Budget estimate for 1916-17 provides for normal receipts, and is R1·76 lakhs higher than the Revised estimate for the current year, chiefly in consequence of an expected development of irrigation on the Upper Swat River Canal and on the canals in Burma and the Central Provinces.

(b) *Divided and wholly Provincial.*

Revised, 1915-16. 172. The Revised estimate for 1915-16 does not differ materially from the Budget. There is a fall of R6·98 lakhs in the Punjab, due to a smaller supply of water during the *kharif* season from the Sirhind and the Western Jumna Canals in consequence of scanty rains, a contraction in the area under cotton and the grant of larger remissions; and of R·92 lakh in Bombay, owing chiefly to a reduced demand for water from the Godavari Canal consequent on favourable rainfall. On the other hand, there are improvements of R5·70 lakhs and 1·50 lakhs respectively in the United Provinces and Bihar and Orissa, where deficient rainfall in certain parts has led to a more extensive use of canal water.

Budget, 1916-17. 173. The total Budget for 1916-17 exceeds the Revised estimate for the current year by R12·58 lakhs. It is based generally on the demand for *rabi* irrigation in the current year and on normal requirements in connection with next year's *kharif*.

Working Expenses.

(a) *Imperial.*

Revised, 1915-16. 174. The total expenditure in 1915-16 is likely to exceed the Budget provision by R·57 lakh, the increase being wholly due to higher outlay on the canals in the North-West Frontier Province. Excesses over the Budget grants are also expected on the Imperial canals in other provinces; but they will be met from the reserve of R·63 lakh entered in the Budget for unforeseen requirements.

Budget, 1916-17. 175. The Budget estimate for 1916-17 provides for normal charges in all the provinces, and is less than the Revised estimate of the current year by R1·57 lakhs.

(b) *Divided and wholly Provincial.*

Revised, 1915-16. 176. The Revised estimate for 1915-16 exceeds the Budget by R14·51 lakhs. There is a large increase of R11·59 lakhs in the Punjab due to special expenditure, which could not be postponed without serious danger and a considerable loss of revenue, in connection with training works on the Lower Chenab Canal and the up-keep of the banks of the Triple project canals. Smaller excesses are also expected in Madras (R1·65 lakhs), Bihar and Orissa (R1·26 lakhs) and Bombay (R1·03 lakhs), chiefly in consequence of outlay on repairs of damages caused by floods and on certain pressing works for which no provision was made in the Budget. On the other hand, there will be unimportant lapses in the Budget grants in Bengal and in the United Provinces.

Budget, 1916-17. 177. The Budget estimate for 1916-17 provides generally for a normal scale of expenditure and for outlay on certain special works urgently required in the Punjab.

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
				Budget.	Revised.	
India . . ₹	...	12,55,344	8,97,948	...	3,25,000	...
Equivalent in Sterling £	...	83,689	59,863	...	21,700	...

178. The figures have already been explained in paragraphs 155 and 156.

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General .	18,382	21,643	14,597	17,000	17,000	17,000
2. Delhi . . .	565	1,367	837	1,000	2,000	2,000
3. Baluchistan . .	67,211	66,734	64,769	80,000	49,000	65,000
4. Punjab . .	7,98,438	9,02,661	9,28,866	9,50,000	9,50,000	9,75,000
Total .	8,84,596	9,92,405	10,09,069	10,48,000	10,18,000	10,59,000
Divided and Provincial.						
1. Madras . . .	2,31,552	2,52,323	2,28,844	2,39,000	2,51,000	2,29,000
2. Bombay . .	3,65,201	3,78,401	3,76,968	3,69,000	3,55,000	3,75,000
3. Bengal . .	6,90,060	6,13,882	5,35,916	6,20,000	6,70,000	6,70,000
4. United Provinces .	1,79,913	1,32,109	1,88,426	1,64,000	2,01,000	2,36,000
5. Punjab . . .	66,869	76,040	53,117	89,000	72,000	92,000
6. Burma . . .	14,41,267	13,68,741	13,02,403	15,76,000	13,32,000	14,13,000
7. Bihar and Orissa .	75,522	72,167	72,583	73,000	72,000	72,000
8. Central Provinces .	47,423	56,221	51,898	70,000	41,000	51,000
Total .	30,97,807	29,49,884	28,10,155	32,00,000	29,94,000	31,38,000
TOTAL ₹	39,82,403	39,42,289	38,19,224	42,48,000	40,12,000	41,97,000
Equivalent in Sterling £	265,494	262,819	254,615	283,200	267,500	279,800

Expenditure.

Imperial.						
1. India General .	1,02,541	59,962	52,022	6,07,000	60,000	3,70,000
2. Delhi . . .	1,434	898	1,198	3,000	1,000	1,000
3. Baluchistan . .	3,63,780	3,84,187	3,02,477	1,36,000	3,13,000	1,36,000
4. North-West Frontier	37,870	52,654	43,475	68,000	43,000	64,000
5. Punjab . . .	9,17,328	9,39,520	9,98,049	8,93,000	9,28,000	8,80,000
Total .	14,22,953	14,37,221	13,97,221	17,02,000	13,45,000	14,51,000
Divided and Provincial.						
1. Madras . . .	36,34,683	40,22,399	44,09,655	42,00,000	39,90,000	40,00,000
2. Bombay . .	31,44,096	35,27,767	31,69,245	33,64,000	32,51,000	33,10,000
3. Bengal . .	15,38,237	19,26,421	27,61,008	22,94,000	22,52,000	20,94,000
4. United Provinces .	3,78,882	4,45,070	5,02,805	2,86,000	4,60,000	2,96,000
5. Punjab . . .	3,98,397	2,82,970	1,82,198	1,52,000	2,03,000	1,86,000
6. Burma . . .	12,85,756	10,95,549	11,94,795	12,10,000	11,80,000	10,56,000
7. Bihar and Orissa .	4,01,830	4,89,670	3,37,090	4,70,000	2,74,000	3,60,000
8. Central Provinces .	4,64,743	5,73,720	9,06,729	6,00,000	6,00,000	6,00,000
9. Assam . . .	66,634	1,15,211	67,700	64,000	1,08,000	56,000
Total .	1,13,18,258	1,24,78,777	1,35,31,225	1,26,40,000	1,23,18,000	1,19,58,000
TOTAL INDIA ₹	1,27,36,211	1,39,15,998	1,49,28,446	1,43,42,000	1,36,63,000	1,34,09,000
Equivalent in Sterling £	849,081	927,733	995,230	956,100	910,800	894,000
England . . £	1,894	1,156	253	...	600	...
GRAND TOTAL £	850,975	928,889	995,483	956,100	911,400	894,000

REVENUE.

(*a*) *Imperial.*

179. The figures do not show any important variation.

(*b*) *Divided and Provincial.*

180. The total Revised estimate for 1915-16 is less than the Budget by R2·06 lakhs. The decrease is mainly due to a fall in the revenue from certain canals in Burma. The Budget estimate for 1916-17 provides for normal collections in all the provinces. *Revised, 1915-16.* *Budget, 1916-17.*

EXPENDITURE.

(*a*) *Imperial—India and England.*

181. The Budget estimate of the current year included a grant of R5 lakhs in aid of special expenditure entailed by the recommendations of the Irrigation Commission. R1·75 lakhs out of this grant are being spent on the Surkhab River project in Baluchistan, while R1·15 lakhs have been allotted to the Government of the United Provinces for tank restoration works and placed at its credit by an assignment of Imperial revenue (*vide* paragraph 235). The balance of the special grant will lapse. Savings are also expected in the grants for ordinary expenditure in some of the minor administrations. These causes account for the decrease of R3·48 lakhs in the Revised estimate for 1915-16 as compared with the Budget. *Revised, 1915-16.*

182. The Budget estimate for 1916-17 exceeds the Revised estimate for the current year by R·97 lakh. Provision for new works has been curtailed as far as possible, and no specific allotment has been made for the Surkhab River project in Baluchistan; but a reserve of R2·89 lakhs has been entered to meet pressing requirements which cannot be foreseen at present. *Budget, 1916-17.*

(*b*) *Divided and Provincial.*

183. The Revised estimate for 1915-16 falls short of the Budget grant by R3·22 lakhs. The decrease is mainly due to the curtailment of programmes in Madras, Bihar and Orissa, and certain other provinces, in view of the need for economy. On the other hand, an excess of R1·74 lakhs over the Budget grant is expected in the United Provinces, due mainly to expenditure on tank restoration works which is being financed largely by a special assignment from Imperial revenue (*vide* paragraph 181). *Revised, 1915-16.*

184. The Budget estimate for 1916-17 is taken at R3·60 lakhs less than the Revised for the current year. Provision has generally been made for sanctioned establishments, for necessary repairs and for urgent works. *Budget, 1916-17.*

44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

		Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		Budget, 1916-1917.
					Budget.	Revised.	
Provincial.							
Assam . .	R	63,984	21,213	6,887	20,000	22,000	26,000
	£	4,266	1,414	459	1,300	1,500	1,700

185. The charges represent capital outlay in connection with the Jorhat Railway and are unimportant in character.

XXXI and 45.—CIVIL WORKS.

EXPENDITURE.

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General .	70,70,401	26,95,783	27,82,721	34,19,000	23,66,000	28,50,000
2. Delhi . . .	8,52,219	21,17,630	19,37,563	14,90,000	16,80,000	12,56,000
3. Baluchistan . .	9,61,402	11,62,343	11,02,585	10,11,000	9,10,000	9,51,000
4. North-West Frontier	26,25,826	34,62,786	32,21,382	25,86,000	24,77,000	24,12,000
5. Other Provinces .	39,89,659	44,25,688	53,74,058	50,01,000	50,04,000	35,08,000
Total .	1,54,99,507	1,43,64,230	1,44,18,309	1,35,07,000	1,24,37,000	1,09,77,000
Provincial.						
1. Madras . .	1,56,63,903	1,64,89,730	1,63,04,790	1,09,73,000	84,61,000	82,69,000
2. Bombay . .	97,85,149	1,19,03,975	1,13,51,206	80,57,000	82,25,000	77,54,000
3. Bengal . .	90,02,139	1,02,18,648	1,24,73,724	86,97,000	90,56,000	64,00,000
4. United Provinces .	73,84,393	90,03,926	76,16,110	75,68,000	72,74,000	62,80,000
5. Punjab . .	68,75,537	96,94,507	91,62,795	77,22,000	65,05,000	53,35,000
6. Burma . . .	82,57,096	1,01,11,603	1,16,36,015	1,02,63,000	91,82,000	92,26,000
7. Bihar and Orissa .	59,81,947	83,23,760	99,64,909	90,98,000	89,02,000	70,59,000
8. Central Provinces .	67,66,686	68,83,785	79,43,260	67,53,000	70,11,000	58,00,000
9. Assam . . .	43,16,217	66,17,426	54,64,048	42,50,000	40,68,000	33,95,000
Total .	7,40,33,067	8,92,47,360	9,19,16,857	7,33,81,000	6,86,84,000	5,95,68,000
TOTAL INDIA . ₹	8,95,32,574	10,36,11,590	10,63,35,166	8,68,88,000	8,11,21,000	7,05,45,000
Equivalent in Sterling £	5,968,838	6,907,440	7,089,011	5,792,600	5,408,000	4,703,000
England . . . £	90,665	101,184	87,739	21,200	48,000	39,500
TOTAL . £	6,059,503	7,008,624	7,176,750	5,813,800	5,456,000	4,742,500

REVENUE

	Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	Budget, 1916-1917.
Imperial.						
1. India General .	1,13,050	83,228	81,416	72,000	79,000	78,000
2. Delhi . . .	4,649	1,42,894	2,41,780	1,48,000	2,21,000	2,27,000
3. Baluchistan . .	41,443	43,914	48,113	44,000	49,000	47,000
4. North-West Frontier	2,90,186	1,48,739	1,65,444	1,51,000	1,54,000	1,50,000
5. Other Provinces .	2,45,548	2,70,028	2,52,849	2,18,000	2,30,000	2,30,000
Total .	6,94,876	6,88,803	7,39,602	6,33,000	7,33,000	7,32,000
Provincial.						
1. Madras . . .	3,05,812	3,32,418	4,08,800	3,87,000	4,65,000	4,29,000
2. Bombay . .	7,67,301	7,05,577	4,15,001	2,95,000	3,45,000	3,09,000
3. Bengal . . .	5,27,559	6,00,292	7,09,243	5,82,000	7,50,000	5,89,000
4. United Provinces .	4,49,720	5,38,595	4,62,612	4,25,000	4,88,000	4,47,000
5. Punjab . . .	5,10,712	5,21,946	4,04,724	3,96,000	3,49,000	3,43,000
6. Burma . . .	3,31,317	3,45,615	3,23,611	3,35,000	3,35,000	3,33,000
7. Bihar and Orissa .	2,88,251	3,54,127	3,74,440	3,74,000	3,94,000	4,20,000
8. Central Provinces .	13,15,898	2,41,530	2,61,873	2,52,000	2,99,000	2,69,000
9. Assam . . .	1,40,764	1,50,703	1,73,375	1,62,000	1,70,000	1,74,000
Total .	46,36,834	37,90,803	35,33,679	32,08,000	35,95,000	33,13,000
TOTAL INDIA . ₹	53,31,710	44,79,606	43,23,281	38,41,000	43,28,000	40,45,000
Equivalent in Sterling £	355,447	298,640	288,219	256,100	288,500	269,700

186. The Imperial revenue and expenditure shown against "Other Provinces" represent the transactions in connection with the buildings of the various departments, *e.g.*, Salt, Customs, etc., the receipts and charges of which are wholly Imperial.

EXPENDITURE.

(*a*) *Imperial—India and England.*

Revised, 1915-16.

187. The total expenditure in 1915-16 is expected to fall short of the Budget provision by ₹6·68 lakhs. The reduction is generally due to the curtailment of the expenditure programme in pursuance of the policy of retrenchment. There will, however, be an excess over the Budget estimate of ₹1·90 lakhs in Delhi owing to unforeseen outlay on land acquisition and other items; and of ₹4·02 lakhs in England due to a higher payment of leave allowances and a rise in the cost of stores.

Budget, 1916-17.

188. In 1916-17 the total Imperial grant has been fixed at ₹80 lakhs, exclusive of ₹4·36 lakhs allotted for expenditure incurred in the Civil Department, mostly in the several minor administrations, and of sums aggregating ₹31·34 lakhs to be spent by the administrations of the North-West Frontier Province (23·19 lakhs) and Baluchistan (8·15 lakhs). A large curtailment of grants has been made everywhere in view of the financial position, and the total Budget for 1916-17 is less than the Revised estimate for 1915-16 by ₹15·87 lakhs and less than the Budget grant for the latter year by ₹22·55 lakhs.

189. The purposes to which the grant of ₹80 lakhs mentioned in the preceding paragraph will be applied are shown below :—

	In lakhs of Rupees.	
(*a*) Ordinary Grant—		
(1) Establishment and Miscellaneous charges	12·30	
(2) Repairs	18·60	
(3) Works in progress	14·71	
(4) New Works—		
(*a*) Costing up to ₹5,000	6·30	
(*b*) Costing more than ₹5,000	6·21	
(5) Payments in England for Stores, furlough allowances, etc.	5·93	
(6) Reserve for Archæological expenditure	1·00	
(7) Reserve for other unforeseen expenditure	4·14	
		69·19
(*b*) Delhi Province—		
(1) Works in progress	0·63	
(2) New Works—		
(*a*) Costing up to ₹5,000	·06	
(*b*) Costing more than ₹5,000	0·46	
(3) Repairs	6·60	
(4) Establishment and Tools and Plant	1·76	
(5) Archæological expenditure	·18	
(6) Reserve for unforeseen expenditure	1·12	
		10·81
		80·00

190. Out of the ordinary grant mentioned in paragraph 189, allotments of R1 lakh or more will be made to carry on work already in progress on the following projects; and it is not proposed to start any important new work in the ensuing year.

Province.	Name of work.	Amount of grant.
		R
United Provinces .	Erection of certain buildings for the Imperial Bacteriological laboratory at Bareilly, including fencing, roads, drainage and water-supply . .	1,20,000
Bombay . .	New Customs House at Karachi	2,00,000
„ . .	„ „ „ „ Bombay	3,00,000
Burma . . .	„ Telegraph Office at Rangoon	1,24,000

191. The Budget grants for 1916-17 proposed for Baluchistan and the North-West Frontier Province do not differ materially from the Revised estimates for 1915-16.

(*b*) *India—Provincial.*

192. The total Revised estimate for 1915-16 is less than the Budget by R46·97 lakhs. The Budget provided for an outlay of about R30½ lakhs on Civil Works from the special Imperial assignments made in recent years for education, sanitation and other beneficial services; but the total expenditure of this class in the current year, to be recorded under Civil Works, is now estimated at about R26½ lakhs. Eliminating this special expenditure as well as the Budget provision made for it; and making allowance for the fact that about R11 lakhs of ordinary expenditure for which provision was made in Madras and Burma under Civil Works will be recorded under Medical (with reference to the change in classification mentioned in paragraph 112), the Revised estimate under Civil Works falls short of the corresponding Budget grant by about R32 lakhs. The real saving is larger, for a portion of the expenditure against some of the ordinary grants provided in the Budget under Education, Medical and other heads is recorded in the accounts under Civil Works. Considerable lapses in the grants provided under the latter head, otherwise than from the special appropriations from Imperial revenues referred to above, are expected in almost all the provinces, owing to a further curtailment of the programme of construction contemplated in the Budget, which has become necessary in consequence of the financial situation. In Assam alone, the expenditure is likely to exceed the Budget grant, owing to outlay on relief works, and on the repair of flood damages, in the Surma Valley. *Revised, 1915-16.*

193. The table below compares the details of the grants for 1916-17 in the various provinces, so far as settled at present, with the probable expenditure in the current year. *Budget, 1916-17.*

Revised, 1915-16.

[Lakhs of Rupees.]

Provinces.	Grants to		Outlay in the Public Works Department on			Other items.	Total.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.		
1. Madras	22·71	·01	37·20	9·98	14·55	·16	84·61
2. Bombay	9·61	...	32·48	21·85	16·00	2·36	82·25
3. Bengal	10·56	11·54	31·60	22·23	12·50	2·13	90·56
4. United Provinces . . .	4·66	...	26·67	27·45	11·98	1·98	72·74
5. Punjab	12·44	...	23·33	17·91	8·92	2·45	65·05
6. Burma	5·60	...	27·30	35·20	18·56	5·22	91·82
7. Bihar and Orissa . . .	5·97	...	60·52	8·35	9·38	4·79	89·02
8. Central Provinces . . .	5·19	...	33.29	19·21	10·57	1·85	70·11
9. Assam	3·53	...	15·36	13·60	7·17	1·02	40·68
Total .	80·27	11·55	287·70	175·78	109·58	21·96	686·84

BUDGET, 1916-17.

[Lakhs of Rupees.]

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	TOTAL
	Local Boards and Municipalities.	Other local bodies.	Original Works.	Repairs.	Establishment charges.		
1. Madras	17·43	·01	39·05	9·57	15·29	1·34	82·69
2. Bombay	8·26	...	27·70	23·30	16·00	2·28	77·54
3. Bengal	9·45	1·55	15·10	24·00	13·00	·90	64·00
4. United Provinces	4·18	...	20·57	25·12	10·99	1·94	62·80
5. Punjab	11·94	...	12·31	18·20	9·01	2·39	53·85
6. Burma	10·50	...	27·03	29·00	19·52	6·21	92·26
7. Bihar and Orissa	6·73	1·00	40·62	8·50	9·00	4·74	70·59
8. Central Provinces	3·99	...	21·66	20·44	11·00	·91	58·00
9. Assam	2·81	...	6·65	16·36	7·06	1·07	33·95
TOTAL	75·29	2·56	210·69	174·49	110·87	21·78	595·68

194. The Budget estimate for 1916-17 is less than the Revised for the current year by R91·16 lakhs. The large decrease reflects the policy of severe retrenchment which has become necessary owing to the protracted duration of the war and the consequent financial dislocation. Allotments aggregating R9 lakhs only have been made for outlay on Civil Works from the special Imperial assignments made in recent years, against a corresponding outlay of R26½ lakhs included in the Revised estimate of the current year.

195. The total provision for original works in 1916-17 has been taken at about R77 lakhs less than the probable expenditure in the current year and R2,19 lakhs less than the expenditure in 1914-15. The grants have been restricted in all the provinces to pressing requirements. Provision has been made in Bihar and Orissa for the progress of work in connection with the Bankipore buildings.

196. It is not possible to make similarly large reductions in any of the other items of expenditure shown in the table in paragraph 193. The total provision for grants to local boards and municipalities in 1916-17 is, however, taken at about R5 lakhs less than the similar expenditure in 1915-16, in spite of the fact that the Budget provides for a fresh item of R4·50 lakhs for contributions to district funds in Burma for the maintenance of provincial roads made over to them; and a reduction in the allotment for non-recurring contributions to local boards and municipalities for roads, bridges and other public works has been made in almost every province. Of the provision under "Grants to other local bodies", R1·50 lakhs represent the grant from Imperial revenues to the Calcutta Improvement Trust.

197. The Budget grants for Repairs and for Establishment charges are generally based on normal requirements and sanctioned scales.

REVENUE.

(a) *Imperial.*

Revised, 1915-16.

198. The total Revised estimate for 1915-16 exceeds the Budget by R1 lakh, mainly in consequence of higher receipts in Delhi from the rent of buildings occupied by Government officials and the supply of electric energy.

Budget, 1916-17.

The total Budget estimate for 1916-17 practically repeats the Revised for the current year.

(b) *Provincial.*

Revised, 1915-16.

199. The Revised estimate for 1915-16 shows a rise of R3·87 lakhs over the Budget estimate. Increased receipts are expected in almost all the provinces from the sale of old materials, rent of Government buildings and other sources.

Budget, 1916-17.

The Budget estimate for 1916-17 provides generally for normal receipts.

XXXII and 46.—ARMY.

		Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	1916-1917, Budget.
EXPENDITURE.		R	R	R	R	R	R
INDIA—							
Effective Services—							
Administration		69,75,270	71,56,430	64,64,083	53,56,960	51,36,000	52,04,430
Military Accounts		29,15,887	30,13,241	28,28,910	24,94,870	25,29,000	25,29,300
Regimental Pay, etc.		12,20,93,251	12,23,80,051	10,88,36,245	8,25,51,710	7,97,81,000	7,68,01,520
Supply and Transport		3,36,92,689	3,42,78,307	3,12,17,805	2,60,24,920	2,46,54,000	2,70,10,580
Veterinary		5,00,023	5,02,617	3,75,784	3,28,900	1,75,000	1,74,860
Clothing		15,68,321	19,26,690	20,59,547	27,34,290	24,54,000	17,32,620
Remounts		49,28,434	46,52,456	52,12,080	43,74,970	46,10,000	40,60,270
Medical Services		56,96,320	57,50,474	53,53,407	42,55,040	27,60,000	27,60,180
Medical Stores		5,06,157	5,51,826	3,34,215	5,35,610	4,50,000	5,54,020
Ordnance		98,54,097	95,87,161	1,01,46,288	80,28,340	85,50,000	1,12,83,390
Ecclesiastical		4,30,154	4,27,183	4,08,819	4,12,460	4,05,000	3,85,130
Education		12,41,097	13,47,675	10,04,196	5,97,350	6,34,000	7,08,660
Compensation for Food, etc.		57,56,698	62,81,040	52,56,955	43,37,000	35,84,000	32,34,000
Miscellaneous Services		31,25,192	28,42,035	3,48,63,084	7,37,71,660	9,92,11,000	11,13,51,810
Hutting		6,98,816	2,10,975	1,86,651	2,00,000	2,37,000	2,00,000
Conveyance by Road, River, and Sea		15,95,814	8,47,034	7,98,522	7,51,600	6,41,000	6,70,540
Conveyance by Rail		38,62,887	42,48,200	48,67,594	37,74,770	44,03,000	46,03,780
Cantonments		14,75,915	24,27,498	14,47,274	13,87,550	13,84,000	13,88,910
Unadjusted Expenditure		—6,79,193	1,29,023	39,308	...	...	...
TOTAL	R	20,62,37,829	20,85,59,916	22,17,00,777	22,19,18,000	24,15,98,000	25,46,54,000
Non-effective Services—	R	1,07,43,291	1,09,57,429	1,10,06,881	1,55,87,000	1,27,23,000	1,37,93,000
TOTAL INDIA	R	21,69,81,120	21,95,17,345	23,27,07,658	23,75,05,000	25,43,21,000	26,84,47,000
Equivalent in sterling	£	14,465,408	14,634,490	15,513,844	15,833,600	16,954,700	17,896,500
ENGLAND—		£	£	£	£	£	£
Effective Services—							
Payments to War Office for British Forces		941,613	917,287	930,620	930,700	929,400	930,700
Furlough Allowances, etc., of British Forces		141,456	145,302	78,603	4,000	13,000	9,000
Consolidated Clothing Allowances of British Soldiers		455	412	24,700	20,400	6,800	...
Furlough Allowances, Indian Service		355,676	361,405	265,259	132,000	148,000	148,000
Indian Troop Service		266,421	298,777	85,206	4,000	547,800	282,300
Other Heads		107,854	115,919	142,741	75,600	74,800	38,500
Clothing Stores		52,712	92,665	90,438	98,300	113,000	99,900
Ordnance and Miscellaneous Stores		596,097	500,328	479,481	403,000	349,000	151,000
Medical Stores		95,980	94,406	94,501	90,400	120,000	123,700
Supply and Transport Stores		52,879	44,122	61,901	116,700	86,000	57,500
Military Farms Stores			11,294	11,470	13,800	12,000	17,400
Operations in Persian Gulf (Stores)		43,848	39,373	18,572	...	...	...
Aviation Stores		..	...	...	...	60,000	...
Stores taken to India with Troops		24,409	17,586	17,254	18,200	9,800	600
TOTAL	£	2,589,430	2,638,876	2,300,746	1,907,100	2,469,600	1,858,600
Non-effective Services—							
Payments to War Office for British Forces		919,183	927,029	946,073	650,000	864,400	766,000
Pensions, Indian Service		1,425,242	1,407,596	1,374,339	1,365,000	1,310,000	1,295,000
Other Heads		177,263	181,248	201,557	218,000	251,500	263,000
TOTAL	£	2,521,688	2,515,873	2,521,969	2,233,000	2,425,900	2,324,000
TOTAL ENGLAND	£	5,111,118	5,154,749	4,822,715	4,140,100	4,895,500	4,182,600
TOTAL EXPENDITURE	£	19,576,526	19,789,239	20,336,559	19,973,700	21,850,200	22,079,100
RECEIPTS.		R	R	R	R	R	R
India	R	1,33,60,617	1,27,84,798	1,12,24,641	1,11,96,000	82,07,000	88,30,000
Equivalent in sterling	£	£ 890,708	£ 852,320	£ 748,309	£ 746,400	£ 547,100	£ 588,700
England	£	337,095	351,186	347,882	328,700	346,300	314,700
TOTAL RECEIPTS	£	1,227,803	1,203,506	1,096,191	1,075,100	893,400	903,400
TOTAL NET EXPENDITURE	£	18,348,723	18,585,733	19,240,368	18,898,600	20,956,800	21,175,700

Revised, 1915-16, compared with Budget, 1915-16. Expenditure—India.

200. The Army expenditure in India during the current year will, it is anticipated, exceed the Budget estimate of R23,75·05 lakhs (£15,833,600) by R1,68·16 lakhs (£1,121,100). Foremost amongst the causes contributing to this large increase may be mentioned an enhanced outlay of R89·91 lakhs (£599,400) on account of various special services, *e.g.*, port defences, operations on the North-West Frontier, etc. The decision that India should bear the normal cost of the regular British and Indian garrison involves an additional charge of R88 lakhs (£586,700), including extra food charges. The formation of mechanical transport companies and units of the Royal Flying Corps accounts for an additional expenditure of R12·83 lakhs (£85,500). The Railway charges have risen by R6·28 lakhs (£41,900); the increase is chiefly due to the fact that all internal movements of stores and animals in consequence of the war have been borne by Indian revenues. The discharge of a large number of reservists who were found unfit for active service has necessitated an increased payment of R3·75 lakhs (£25,000) on account of gratuities, while a change in the system of paying Indian pensioners in the United Provinces has contributed to an extra outlay this year of R1·25 lakhs (£8,300). On the other hand, the non-effective payments in India arising out of the war, which are recoverable from the Imperial Government, are now anticipated to amount to only R12 lakhs (£80,000), or R33 lakhs (£220,000) below the budget figure. This decrease is, however, merely nominal since in the adjustment with the War Office for such payments a correspondingly higher payment will have to be made at Home. The foregoing causes account for a net increase of R1,69·02 lakhs (£1,126,800).

Among the variations of minor importance may be mentioned the following:—Decrease of Rs. 3·95 lakhs (£26,300) on dairy farm operations and a lapse of R1·65 lakhs (£11,000) in connection with the scheme for the establishment of a grass farm at Risalpur, which has been held in abeyance. The training grant has not been fully spent, and a saving of R2 lakhs (£13,300) has thus accrued. Credit has been afforded to the Imperial Government for the value of stores brought back by certain units from Hong Kong; outlay at home on stores for ordnance factories in India is being passed out to India for adjustment; increased prices have been paid for Australian remounts; and more horses have been purchased in order to supply chargers on hire to Indian Army Reserve officers. These four causes account for an increase of R8·15 lakhs (£54,300).

Home.

201. The expenditure at Home is also largely in excess of the Budget provision and is expected to amount to £4,895,500, or £755,400 over the Budget. The decision that the Imperial Government should be credited with the savings on the Indian Troop Service which accrued owing to the stoppage of ordinary reliefs entails an excess charge of £542,000, including arrears for the year 1914-15. The payments to the War Office on account of non-effective charges of British forces for service in India have been raised by £214,400, a figure which takes into account the smaller recovery from the War Office for non-effective war charges in India referred to in the preceding paragraph. Apart from aviation stores on which an outlay of £60,000 has been incurred, the store demands from India are lower than the Budget provision by £38,000, and the retired pay charges of officers of the Indian service fall below the Budget by £55,000, while the miscellaneous pension payments have risen by £29,000 in consequence of the war.

Receipts—India and Home.

202. The receipts during 1915-16 are expected to be R29·89 lakhs (£199,300) lower than the Budget in India and £17,600 better at Home. The worseness in India is mainly due to the fall in receipts, owing to the absence of troops from India, being greater than was anticipated; the decrease mainly occurs in sales of clothing stores, unserviceable and obsolete ordnance stores, and dairy produce.

Net Expenditure.

203. The net Army expenditure during the current year—Home and India—is thus expected to exceed the Budget provision of £18,898,600 by £2,058,200.

Special Expenditure.

204. The Special or Schedule provision was strictly limited, and a total sum of R17·53 lakhs (£116,900) only was allotted for expenditure falling to the Army head. The probable expenditure is now estimated at £97,500. Certain lapses have occurred and, on the other hand, fresh expenditure of an

absolutely urgent nature has been incurred. The supply to a small extent of certain equipment from Home has been postponed to a future year.

Budget, 1916-17, compared with Revised, 1915-16. Expenditure—India.

205. The allotment to meet Army expenditure in India in the ensuing year amounts to R26,84·47 lakhs (£17,896,500), which exceeds the Revised estimate of the current year by R1,41·26 lakhs (£941,800). It has been considered advisable to provide a reserve to meet unforeseen expenditure; but for this factor, the excess would have been only R62·81 lakhs (£418,800). Provision for ordnance factory stores from Home has been made in the Indian estimates instead of in the Home estimates, to the extent of R31·37 lakhs (£209,100), against R3·50 lakhs (£23,300) in the Revised for 1915-16, and the Secretary of State will pass the charges out for adjustment in this country. For mechanical transport companies the number of which is being increased in the ensuing year, additional funds to the extent of Rs. 23·74 lakhs (£158,300) have been allotted; and Rs. 4·53 lakhs (£30,200) more have been provided for the Royal Flying Corps. A sum of Rs. 9·5 lakhs (£63,300) has been included for an ambulance convoy and Rs. 6 lakhs (£40,000) for an acetone factory. A larger provision to the extent of R15 lakhs (£100,000) has been made for war non-effective payments in India to correspond with the amount taken into account in the Home estimates as recoverable from the Imperial Government. On the other hand, the provision for special services, *e.g.*, port defences, etc., is R22·94 lakhs (£153,000) less than the expenditure anticipated in 1915-16. The foregoing causes, apart from the reserve, account for a net increase of R63·70 lakhs (£424,600).

Some of the minor variations are as follows:—Railway charges and travelling allowances indicate an increase of R5·01 lakhs (£33,400); and provision has been made for the full annual training grant, of which R2 lakhs (£13,300) lapsed in the current year. Certain abnormal pensionary charges in 1915-16 result in the allotment for next year being R4·5 lakhs (£30,000) lower, and a special credit of R2 lakhs (£13,300) to the Imperial Government in 1915-16 for stores returned from Hong Kong accounts for a corresponding decrease in 1916-17. A smaller provision has been made for clothing supplies and for purchase of animals by the Remount Department, but these decreases are more or less counterbalanced by increases, *e.g.*, in connection with dairy farms, extra ammunition for machine gun section training and bayonet fighting equipment.

Home.

206. The Home estimates for 1916-17 amount to £4,182,600, or a decrease of £712,900 as compared with the anticipated expenditure in the current year. This decrease is largely due to the exceptional cause mentioned in the preceding paragraph, namely the inclusion in the Indian estimate of provision for ordnance factory stores from Home. The payments to the War Office on account of savings in sea transport charges will be £270,000 less than in 1915-16 in which year the arrears of 1914-15 were also paid. The recovery from the War Office of war pensionary payments in India is expected to be more next year by £100,000, and the payments to the War Office for non-effective charges of British forces will be reduced by a like sum. No provision has been made in 1916-17 for aviation stores, on which an outlay of £60,000 has been incurred in 1915-16. These four causes account for a decrease of £663,000. The balance of £49,900 is accounted for chiefly by absence of provision (*a*) for payments to the Admiralty in connection with the gun-running operations in the Persian Gulf and, (*b*) for Aden re-inforcements; and by lower provision for pensionary charges of officers of the Indian Service.

Receipts. India and Home.

207. A sum of R1,35·50 lakhs (£903,400) has been estimated as the probable receipts in 1916-17—an increase of £10,000 over the current year. This figure is made up of an increase of £41,600 in India and a decrease of £31,600 at Home.

Net Expenditure.

208. The estimated net Army expenditure for 1916-17 thus amounts to £21,175,700, or £218,900 more than the Revised estimate of the current year. This is made up of an increase of £900,200 in India and of a decrease of £681,300 at Home.

Budget, 1916-17, compared with Budget, 1915-16. India and Home.

209. The gross Army expenditure for the coming year, as compared with the Budget estimate for 1915-16, shows an increase in gross expenditure of R3,15·80 lakhs (£2,105,400). The receipts show a falling off of R25·76 lakhs (£171,700) and the net expenditure is thus expected to exceed by

£2,277,100 the estimates of the current year as framed in March last. Apart from the reserve of £523,000 to meet unforeseen expenditure, extra provision to the extent of £446,400 has been made for various measures of internal defence necessitated by the war. The decision that Indian revenues should bear the normal cost of the regular garrison of India—British and Indian—accounts for an increase of £586,700, including extra food charges, while the further decision that the War Office should be credited with the savings in sea transport charges adds £272,000 to next year's estimates. A sum of R41·10 lakhs (£274,000) has been provided to meet outlay on mechanical transport companies and the Royal Flying Corps. The foregoing factors broadly account for the increase in expenditure next year; there are various other causes which largely counterbalance each other.

The worseness in receipts is attributable to war conditions and to the fact that the estimate for 1915-16 did not fully allow for the fall in receipts which resulted from the absence of troops from India.

Special Expenditure.

210. Only urgent and absolutely necessary measures are being provided for in the Schedule for 1916-17. The total amount allotted for the Army head is R13·19 lakhs (£88,000), of which £13,600 is for expenditure in India and £74,400 at Home. The latter figure represents liabilities of previous years, to the extent of £73,500, carried forward by the Secretary of State. The Indian figure includes the usual provision of £6,700 as an addition to the ordinary grant for the training of troops, and £5,800 for the extension and improvement of dairy farms.

XXXIII and 46-A.—MARINE.

		Accounts, 1912-13.	Accounts, 1913-14.	Accounts, 1914-15.	1915-16.		1916-17, Budget.
					Budget.	Revised.	
EXPENDITURE.							
India . . .	R	38,36,942	38,35,541	36,89,687	35,23,000	34,32,000	38,57,000
Equivalent in sterling .	£	255,796	255,703	245,979	234,900	228,800	257,100
England . . .	£	224,132	257,142	217,391	415,500	290,300	450,500
Total	£	479,928	512,845	463,370	650,400	519,100	707,600
RECEIPTS.							
India . .	R	13,15,039	13,43,125	29,71,715	10,23,000	29,05,000	27,38,000
Equivalent in sterling .	£	87,669	89,542	198,115	68,200	193,700	182,500
England . . .	£	...	...	...	...	...	...
Total	£	87,669	89,542	198,115	68,200	193,700	182,500
NET EXPENDITURE	£	392,259	423,303	265,255	582,200	325,400	525,100

Revised, 1915-16, compared with Budget, 1915-16.

211. The total expenditure (India and Home) in 1915-16 falls short of the Budget by £131,300, and there is an increase in receipts to the extent of £125,500; the net expenditure is thus £256,800 less than the Budget.

Expenditure, Receipts and Net Expenditure. India and Home.

212. The decrease in Indian expenditure is due chiefly to smaller purchases of coal on account of heavier issues from stock. Smaller outlay on Schedule measures, owing to delay in the construction of the new station ship for Rangoon, the dredger for the Bombay Dockyard and the despatch vessel required for duty in the Persian Gulf, partly counterbalanced by larger expenditure on miscellaneous stores demanded from India, accounts for the lower Home expenditure. The increase in receipts in India is mainly due to recoveries on account of dockyard services and supplies in connection with the fitting up of transports and on account of hire of Royal Indian Marine vessels, which were not taken into account in the Budget.

213. Out of £188,600 provided in the Budget for the new vessels mentioned above, a sum of £148,900 has lapsed and been carried forward to 1916-17. *Special Expenditure.*

214. The Budget for 1916-17, as compared with the Revised of 1915-16, shows an increase of £188,500 in expenditure, made up of £160,200 at Home and £28,300 in India. The former is mainly accounted for by larger provision for the construction of the three new vessels referred to above and for miscellaneous stores required to replenish stocks. The increase in India is chiefly due to provision for payments to the Admiralty on account of coal to be supplied to the Royal Navy subsidized vessels and to Royal Indian Marine vessels in the Persian Gulf, for additional expenditure on construction and repairs to Royal Indian Marine vessels, and for larger purchases of stores to replace issues from stock. The receipts in India are lower by £11,200, since smaller recoveries are anticipated on account of imported stores. *Budget, 1916-17, compared with Revised, 1915-16. India and Home.*

215. An allotment of £148,900 has been made in 1916-17 for the completion of the three vessels referred to above. *Special Expenditure.*

XXXIV and 47.—MILITARY WORKS.

		Accounts, 1912-13.	Accounts, 1913-14.	Accounts, 1914-15.	1915-16.		1916-17, Budget.
					Budget.	Revised.	
ORDINARY.							
EXPENDITURE.							
India . . .	₹	95,84,652	96,23,778	97,77,511	84,90,000	86,00,000	90,80,000
Equivalent in sterling	£	638,977	641,585	651,834	566,000	573,400	605,400
England . . .	£	24,162	31,225	27,059	14,000	29,000	48,000
TOTAL	£	663,139	672,810	678,893	580,000	602,400	653,400
RECEIPTS.							
India	₹	10,82,428	11,49,059	12,05,734	11,55,000	12,90,000	12,00,000
Equivalent in sterling	£	72,162	76,604	80,382	77,000	86,000	80,000
England . . .	£	...	...	...	...	...	...
TOTAL	£	72,162	76,604	80,382	77,000	86,000	80,000
Net expenditure, Ordinary	£	590,977	596,206	598,511	503,000	516,400	573,400
SPECIAL DEMANDS.							
EXPENDITURE.							
India	₹	32,24,856	39,60,330	46,27,989	24,05,000	33,02,000	30,44,000
Equivalent in sterling .	£	214,990	264,022	308,533	160,300	220,100	202,900
England . .	£	9,250	10,465	8,645	4,000	7,700	2,000
TOTAL	£	224,240	274,487	317,178	164,300	227,800	204,900
TOTAL NET EXPENDITURE	£	815,217	870,693	915,689	667,300	744,200	778,300

Revised, 1915-16, compared with Budget, 1915-16, India and Home Ordinary Expenditure.

216. Under this head the Ordinary expenditure and the expenditure on Military Works Schedule (Special Demands) measures are separately compiled in the ordinary course of accounting. Under Ordinary expenditure, the Revised anticipates an excess of £22,400, which is mainly due to expenditure connected with aviation units on the North-West Frontier R1·00 lakh (£6,700), and the provision of accommodation for the reception of Indian sick and wounded returning from the Indian Expeditionary Forces R1·20 lakhs (£8,000); and to the transfer of funds from other heads R·50 lakh (£3,300).

Receipts.

217. The Military Works receipts represent the rents derived from military quarters and mess houses, recoveries for water supply and electrical power, the sale proceeds of stores, and the rental and repair recoveries from silladar cavalry units whose lines have been taken over by the Military Works Services. The increase is mainly due to additional recoveries, amounting to R1·10 lakhs (£7,300), realized by the sale of "The Terrace" at Murree, and compensation for the buildings, etc., comprising the Chilkulgudiam Indian infantry lines, which have been handed over to the Nizam's Government.

Special Demands, expenditure.

218. Under Special Demands an increase of R9·53 lakhs (£63,500) is expected over the budget allotment of R24·65 lakhs (£164,300). This is mainly due to additional expenditure sanctioned during the year on the improvement of frontier roads, R4·60 lakhs (£30,700); additional accommodation for Ordnance subordinates at Ishapore, R·84 lakh (£5,600); and the construction of a subsidiary reservoir and settling tanks for additional storage of water at the Cordite Factory, Aruvankadu, R1·41 lakhs (£9,400).

Net Expenditure. Total.

219. On Military Works expenditure as a whole, a net increase of £76,900 is expected.

Budget, 1916-17, compared with Budget, 1915-16. India and Home. Ordinary Expenditure.

220. The Ordinary Military Works grant for 1916-17 has been fixed at R92·00 lakhs (£613,300), as compared with R87·00 lakhs (£580,000) in the current year. The allotment for the latter year was restricted to a minimum but there are certain urgent works which cannot be longer postponed, and consequently the grant for 1916-17 has been raised by R5 lakhs to provide for such as have become obligatory. In addition, a sum of R6 lakhs has been included to meet the expenditure on works in connection with aviation units.

Receipts.

221. The increase of R·45 lakh (£3,000) in receipts anticipates an improvement in the rental recoveries with reference to past actuals.

Special Demands, expenditure.

222. The allotment made for Special Demands amounts to R30·74 lakhs (£204,900), or R6·09 lakhs (£40,600) more than the Budget figure for 1915-16. Existing conditions have again rendered it necessary to confine expenditure to urgent works in progress. The main allotments are R10 lakhs for works in the new cantonment at Delhi; R6·34 lakhs for the reconstruction of lines of Indian troops, R4 lakhs on improvement of frontier roads, and R1 lakh for volunteer armouries, etc.

Net Expenditure. Total.

223. The total net expenditure of R1,16·74 lakhs (£778,300) in 1916-17 is more than the Budget provision of 1915-16 by R16·64 lakh (111,000).

47A.—SPECIAL DEFENCES.

Expenditure.		Accounts, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916. Budget.	1915-1916. Revised.	1916-1917, Budget.
India	R	88,287	1,07,225	65,149	2,18,000	1,12,000	1,85,000
Equivalent in Sterling	£	5,886	7,148	4,343	14,600	7,500	12,300
England	£	3,381	9,236	9,260	6,500	8,800	8,600
Total	£	9,267	16,384	13,603	21,100	16,300	20,900

224. The Revised shows a decrease of £4,800 in expenditure, which occurs under stores and works. *Revised, 1915-16.*

225. The allotment for next year amounts to R3·14 lakhs (£20,900), and includes R1·29 lakhs (£8,600) carried forward by the Secretary of State for India on account of store demands on hand. *Budget, 1916-17.*

These charges are treated as wholly Special or Schedule.

MILITARY SERVICES : SUMMARY.

		Account, 1912-1913.	Accounts, 1913-1914.	Accounts, 1914-1915.	1915-1916.		1916-1917, Budget.
					Budget.	Revised.	
EXPENDITURE—							
India . .	R	23,37,15,857	23,70,44,219	25,08,64,278	25,21,41,000	26,97,57,000	28,46,13,000
Equivalent in Sterling .	£	15,581,057	15,802,948	16,724,332	16,809,400	17,984,500	18,974,200
England .	£	5,372,043	5,462,817	5,085,070	4,580,100	5,231,300	4,691,700
Total Expenditure	£	20,953,100	21,265,765	21,809,402	21,389,500	23,215,800	23,665,900
RECEIPTS—							
India . .	R	1,57,58,084	1,52,76,982	1,54,02,090	1,33,74,000	1,24,02,000	1,27,68,000
Equivalent in Sterling .	£	1,050,539	1,018,466	1,026,806	891,600	826,800	851,200
England .	£	337,095	351,186	347,882	328,700	346,300	314,700
Total Receipts .	£	1,387,634	1,369,652	1,374,688	1,220,300	1,173,100	1,165,900
NET EXPENDITURE	£	19,565,466	19,896,113	20,434,714	20,169,200	22,042,700	22,500,000

226. The total net military expenditure in the current year is anticipated to exceed the estimates prepared last March by £1,873,500. Two decisions which were arrived at during the currency of the year, firstly, that India should pay to the War Office the savings in sea transport charges resulting from the cessation of ordinary reliefs and, secondly, that India should bear the normal cost of the ordinary garrison—British and Indian—account for an increase of £1,129,000. A sum of £614,000 is also expected to be spent, over and above the Budget provision of £357,000, for various measures arising from war conditions, *e.g.*, port defences, protection of the North-West Frontier, etc. It has also been necessary to embark on fresh expenditure to the extent of £152,000 in connection with the organisation of aviation units and mechanical transport companies.

227. The Budget estimate for the ensuing year has been fixed at £22½ millions net, on the assumption that war conditions will continue throughout that period. The strictest economy has been observed and, beyond the ordinary maintenance charges, only absolutely necessary measures have been provided for. In view, however, of the ever changing military situation and the possible demands which may be made upon the Army in India, a margin of about half a million sterling has been included for expenditure which cannot at present be accurately foreseen.

TRANSFERS BETWEEN IMPERIAL AND PROVINCIAL.

	Accounts, 1912-13.	Accounts, 1913-14.	Accounts, 1914-15.	1915-16.		Budget, 1916-17.
				Budget.	Revised.	
Transfers from Imperial to Provincial—						
1. (*a*) Recurring assignments under the terms of the Provincial Settlements, including permanent additions subsequently made to them, with the exception of special recurring grants for Education and Sanitation .	16,09,000	1,06,32,000	1,16,20,000	1,37,51,000	1,39,49,000	1,40,36,000
(*b*) Recurring assignments from Provincial to Imperial in connection with the new scheme of taxation	...	...	...	...	...	—63,25,000
2. Special recurring grants for—						
(*i*) Education	55,96,000	1,05,38,000	1,14,29,000	1,14,46,000	1,14,50,000	1,14,50,000
(*ii*) Sanitation	...	36,50,000	36,70,000	36,70,000	36,70,000	36,70,000
3. Assignments in connection with the scheme for the incidence of famine relief expenditure (*vide* paragraph 54 of Financial Statement for 1907-1908) . .	37,50,000	37,50,000	29,24,000	24,70,000	24,70,000	14,48,000
4. Non-recurring grants—						
(*i*) Under the terms of the Provincial settlements . .	4,90,000	15,33,000	4,36,000	...	6,85,000	3,32,000
(*ii*) For Education . . .	3,81,70,000	8,000	11,87,000	1,51,000	2,37,000	1,74,000
(*iii*) For Sanitation . . .	1,50,00,000	1,00,000	5,50,000	...	2,20,000	...
(*iv*) For medical relief, agriculture and allied objects . .	...	25,35,000	...	...	...	...
(*v*) For public works expenditure and discretionary outlay .	1,50,00,000	...	15,00,000	...	...	...
(*vi*) Other items . . .	14,44,000	53,00,000	39,09,000	27,89,000	32,97,000	23,02,000
Total Transfers .	8,10,59,000	3,80,46,000	3,72,25,000	3,42,77,000	3,59,78,000	2,70,87,000

(*a*) *Recurring assignments excluding special grants for Education and Sanitation.*

228. The increases of (*a*) ₹1·98 lakhs in the Revised estimate over the Budget of the current year and (*b*) ₹·87 lakh in the Budget for 1916-17 over the Revised for 1915-16 are made up as follows :—

	Lakhs of rupees.	
	1915-16.	1916-17.
(1) Increase in assignment to Bihar and Orissa in connection with the new High Court at Bankipur .	2·70	3·10
(2) Reduction in assignment to Bengal in consequence of saving in expenditure which will result from the establishment of a High Court at Bankipur . .	...	—2·00
(3) Minor adjustments of a recurring nature . . .	—·72	—·23
	1·98	·87

The annual assignment payable to Bihar and Orissa in connection with the High Court at Bankipur is estimated at ₹5·80 lakhs.

(b) Recurring assignments from Provincial to Imperial in connection with the new scheme of taxation.

229. The reason for the recovery of contributions aggregating ₹63·25 lakhs from the several Provincial Governments in connection with the financial arrangements for 1916-17 is that the increased taxation credited to "divided" heads has to be wholly appropriated to Imperial revenues. The distribution of the total sum is given below:—

	Lakhs of ₹
Madras	6·43
Bombay	18·40
Bengal	20·90
United Provinces	4·30
Punjab	2·80
Burma	6·37
Bihar and Orissa	2·40
Central Provinces	1·15
Assam	50
Total	63·25

(c) Special recurring grants for Education.

230. The unimportant variation between the Budget and the Revised estimates for the current year is due to the allotment of a small sum for recurring outlay on specific items of Provincial expenditure, from the undistributed balance of the recurring appropriation of ₹124 lakhs made from Imperial revenues in recent years for the improvement of education (see paragraph 100).

(d) Assignments in connection with the scheme for the incidence of Famine Relief expenditure.

231. The variation in the amount of assignments for the famine insurance of Provincial Governments provided in the Revised estimate for 1915-16 and the Budget for 1916-17 arises from the circumstances mentioned below. Under the scheme for the incidence of famine relief expenditure introduced in 1907, the details of which were explained in paragraphs 48 to 57 of the Financial Statement for 1907-08, certain annual assignments are made to Provincial Governments, and the latter use the funds so placed at their disposal to build up a reserve of credit with the Imperial Government which can be utilised when necessary to meet famine relief expenditure. To avoid the possible accumulation of an unnecessarily high credit, it was decided (1) to fix a maximum limit to the reserve of each province, and (2) when that limit was reached in any province, to discontinue the annual assignment until the credit had been reduced by expenditure on famine relief. The limit for Bombay was fixed at ₹80 lakhs; and it is estimated that this figure will be reached in 1916-17 with an assignment of ₹3·48 lakhs, which is ₹10·22 lakhs less than the normal assignment for the province. The maximum limit has already been reached in the Central Provinces and no further assignment is now made to it in this connection.

(e) Non-recurring grants under the terms of the Provincial Settlements.

232. The non-recurring grants to be made in the two years under the terms of the settlements represent contributions to the Punjab to bring its net Irrigation revenue up to the amount guaranteed in its provincial settlement.

(*f*) *Non-recurring assignments for Education.*

233. The following contributions will be paid for Provincial expenditure from the undistributed balance of the recurring appropriation of ₹124 lakhs made from Imperial revenues in recent years for educational expenditure :—

	Lakhs of rupees. 1915-16.	1916-17.
(1) Additional grant to the Dacca University	1·00	1·00
(2) Contribution in aid of research work by Dr. J. C. Bose	·40	·32
(3) Grant to the Hindu University for acquisition of land	·50	...
(4) Grant to the Islamia College, Lahore, for the equipment and maintenance of science laboratories	·30	·30
(5) Other petty items	·17	·12
Total	2·37	1·74

(*g*) *Non-recurring grants for Sanitation.*

234. The following allotments have been sanctioned during the current year from the undistributed balance of the special recurring appropriation of ₹51 lakhs made from Imperial revenues in recent years for the improvement of sanitation :—

	Lakhs of rupees.
(1) To the United Provinces, for sanitary improvement of Lucknow	1·20
(2) To the United Provinces, for sanitary improvement of the pilgrim route to Badrinath and edarnath	1·00
TOTAL	2·20

(*h*) *Miscellaneous non-recurring grants.*

235. The following are the details of the miscellaneous non-recurring grants which will be given in the two years :—

	Lakhs of rupees. 15-16.	1916-17.
(1) Contribution to meet provincial expenditure in Burma and Assam in connection with the North-East Frontier	18·49	24·14
(2) Assignment to Bihar and Orissa in respect of cost of High Court buildings at Bankipur	15·00	...
(3) Grant to the United Provinces for tank restoration works, out of the special provision made in the Imperial Budget under Minor Irrigation Works for the improvement of irrigation	1·15	...
(4) Yearly instalments of the contribution to the Calcutta Improvement Trust for a period of 60 years	1·50	1·50
(5) Grant for five years to the Chittagong Port in aid of dredging and revetment operations	·75	·75
(6) Miscellaneous adjustments, representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial	—3·92	—3·37
Total	32·97	23·02

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

236. In the Budget for 1915-16, a sum of ₹12 crores was allotted for expenditure on railway construction for which the Government of India undertake financial responsibility. During the course of the year the Secretary of State withdrew ₹35 lakhs which represented the provision for certain new lines, thus reducing the budget grant to ₹11,65 lakhs. The expenditure of the year is now estimated at ₹731·51 lakhs or ₹468·49 lakhs less than the original grant, the lapse being due partly to non-supply of English material owing to congestion in the workshops at home, and partly to restriction of all but necessary expenditure both at home and in India. For 1916-17 a grant of 450 lakhs has been provided, of which ₹151·96 lakhs is for rolling stock. *Revised, 1915-16.* *Budget, 1916-17.*

237. The distribution of the total expenditure on Railway Construction between State and Companies' agency in each of the three years from 1914-15 to 1916-17 is as follows:—

		1914-1915. Accounts.	1915-1916. Budget.	1915-1916. Revised.	1916-1917. Budget.
1. Outlay on State Lines:					
(*a*) India	₹	12,12,86,978	9,28,13,000	5,79,58,000	3,06,53,000
	£	8,085,799	6,187,500	3,863,800	2,043,500
(*b*) England	£	2,424,059	1,450,200	929,400	758,400
TOTAL	£	10,509,858	7,637,700	4,793,200	2,801,900
2. Outlay of Companies:					
(*a*) India	₹	—88,51,716	—1,27,22,000	—89,81,000	—31,82,000
	£	—590,114	—848,100	—598,700	—212,100
(*b*) England	£	1,513,292	1,210,400	682,200	410,200
TOTAL	£	923,178	362,300	83,500	198,100
Total of Programme	£	11,433,036	8,000,000	4,876,700	3,000,000

The following outlay in England on account of purchased lines worked by companies is included in the Indian figures under outlay on State lines:—

4,567,398	3,031,300	2,097,500	1,252,600

238. The details of the Budget grant for 1916-17 are shown below :—

[Lakhs of rupees.]

	Open Line.			Construction of	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
I.—Outlay on State Railways :—					
1. Assam-Bengal :—					
(i) Open line	3·20	13·45	16·65	...	...
(ii) Bhairab Bazar-Tangi (Open Section)	...	1·93	1·93	...	...
(iii) „ „ „ (Re-alignment at Bhairab-Bazar).	...	...	...	2·09	...
(iv) Kalaura-Sylhet	...	...	...	·91	...
2. Bengal Nagpur :—					
(i) Main line	14·75	19·60	34·35	...	...
(ii) Chindwara Nagpur	...	·19	·19	...	...
(iii) Bokaro-Ramgurh	...	·45	·45	...	...
(iv) Parvatipur-Singapur Road	...	...	...	·15	...
3. Bezwada Extension	...	·02	·02	...	...
4. Bombay, Baroda and Central India :—					
(i) Main line	8·83	25·44	34·27	...	...
5. Burma Extensions :—					
(i) Open line	·05	·50	·55	...	...
(ii) Southern Shan States	...	...	...	·50	...
6. Dhone-Kurnool	...	·05	·05	...	...
7. East Indian :—					
(i) Open line	27·29	31·83	59·12	...	...
(ii) Bokaro-Ramgarh	...	·11	·11	...	...
(iii) Burdwan-Howrah	...	...	...	23·22	...
8. Eastern Bengal System :—					
Open line	21·90	39·69	61·59	...	...
9. Great Indian Peninsula System :—					
(i) Main line	10·70	47·02	57·72	...	...
(ii) Itarsi-Nagpur, etc.	...	...	...	3·00	...
(iii) Agra-Delhi Chord	·03	·40	·43	...	...
(iv) Bhopal	...	·28	·28	...	...
(v) Harbour Branch Extension	...	...	...	7·00	...
(vi) Cawnpur-Banda	...	·25	·25	...	...
10. Jodhpur-Hyderabad (British Section)	...	·24	·24	...	...
11. North Western :—					
(i) Main line	29·73	30·78	60·51	...	...
(ii) Laki-Pezu Tank	...	...	...	3·43	...
12. Oudh and Rohilkhand :—					
Main line	3·43	2·29	5·72	...	...
13. South Indian System—					
(i) Main line	8·89	6·39	15·28	...	...
(ii) Coonoor-Ootacamund	...	·10	·10	...	...
(iii) Tinnevelly-Quilon—British Section	...	·01	·01	...	...
(iv) Do. Native State Section	...	·03	·03	...	...
14. Tirhoot and extensions :—					
(i) Open line	...	1·50	1·50	...	...
(ii) Roserah-Khagaria	...	·92	·92	...	...
15. Special Rolling stock	14·70	...	14·70	...	...
16. Reserve	...	13·01	13·01	...	...
	143·50	236·48	379·98	40·30	...
II.—Outlay of Indian Railway Companies :—					
1. Burma	3·84	6·09	9·93	...	...
2. Lucknow-Bareilly	...	1·12	1·12	...	...
3. Madras and Southern Mahratta :—					
(i) Open line	4·62	13·27	17·89	...	...
(ii) Guntur-Tenali	...	...	...	·78	...
	8·46	20·48	28·94	·78	...

The bulk of the restricted programme grant for 1916-17 will be devoted to the improvement of open lines of railway.

239. The figures in the table in paragraph 237 do not include the expenditure on Protective Railways met from the Famine Insurance grant, nor that on Branch Line Companies. Including this outlay and also some small expenditure from Provincial revenues the total expected outlay on railway construction in the three years ending 1916-17 is as follows :—

	Accounts, 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
	₹	₹	₹
Total as in table on page 109 . . .	17,14,95,532	7,31,51,000	4,50,00,000
Famine Protective lines	—19,669	—5,000	—10,000
Branch lines	62,86,131	1,18,09,000	1,12,96,000
Provincial State lines	6,887	22,000	26,000
Grand Total in Rupees .	17,77,68,881	8,49,77,000	5,63,12,000
Grand Total in sterling at ₹15 to the £ .	11,851,259	5,665,100	3,754,100

CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

240. The figures are—

	Accounts, 1914-15.	Budget, 1915-16.	Revised, 1915-16.	Budget, 1916-17.
Total in Rupees . . .	1,68,47,703	1,65,00,000	1,33,80,000	1,35,00,000
Equivalent in Sterling . .	1,123,180	1,100,000	892,000	900,000

Revised, 1915-16.

241. The expenditure in 1915-16 is expected to fall short of the Budget grant by ₹31·20 lakhs. There will be a lapse of about ₹17 lakhs in the allotments for works in operation, mainly on canals in the Punjab and on the permanent head works of the Ganges Canal, owing to a curtailment of programme in consequence of the financial situation and other causes. There will also be a saving of about ₹4 lakhs in the grants for works under construction, due chiefly to a slower progress on the Toludur project in Madras and the non-utilisation of the allotment for the Seharwah project in Bombay which has not yet been sanctioned; and the whole of the reserve of ₹10·53 lakhs will lapse.

Budget, 1916-17.

242. The Budget grant for 1916-17 has been fixed at ₹1,35 lakhs, *i.e.*, the amount of the probable expenditure in 1915-16, with reference to the financial situation and after due consideration of the requirements of the various canals under construction most of which are now nearing completion. The following statement shows the distribution of the expenditure in 1915-16 and the grant for 1916-17 :—

Name of Project.	Expenditure in 1915-16.	Expenditure in 1916-17.
Works in operation—	₹	₹
Godavari Delta System	1,35,000	1,42,000
Kistna „ „	79,000	13,000
Kurnool-Cuddapah Canal	86,000	79,000
Cauvery Delta System	73,000	45,000
Eastern Nara Works	1,05,000	2,22,000
Jamrao Canal	1,25,000	2,37,000
Ganges Canal, including Mat and Hathras branches and permanent headworks	7,33,000	8,79,000
Agra Canal	59,000	45,000
Upper Bari Doab „	2,76,000	1,50,000
Sirhind Canal	1,07,000	1,70,000
Lower Chenab Canal	1,04,000	2,00,000
Lower Jhelum „	50,000	3,00,000
Indus Inundation Canals	1,60,000	—5,000
Upper Chenab Canal	13,48,000	23,20,000
Lower Bari Doab Canal	10,38,000	7,80,000
Upper Swat River Canal	13,98,000	10,30,000
Mandalay Canal	73,000	6,000
Mon Canals	1,05,000	21,000
Asola Mendha Tank works	67,000	62,000
Other Projects	3,38,000	2,75,000
Works under construction—		
Toludur Project	2,85,000	7,52,000
Gorai Canal	2,74,000	3,16,000
Upper Jhelum Canal	21,80,000	10,29,000
Ye-u Canal	5,44,000	7,01,000
Twante Canal	7,84,000	8,93,000
Mahanadi „	18,63,000	13,01,000
Wainganga Canal	9,93,000	5,37,000
Reserve	...	10,00,000
TOTAL ₹	1,33,80,000	1,35,00,000
Equivalent in Sterling £	892,000	900,000

Of the total grant of ₹1,35 lakhs, about ₹55 lakhs will be allotted to canals under construction; about ₹70 lakhs will be devoted to the completion and development of canals in operation; and ₹10 lakhs will be held in reserve to meet unforeseen requirements.

243. The figures mentioned above do not include the expenditure on Protective Irrigation Works, whether financed from the Famine Insurance grant or from ordinary revenues outside that grant. Including this outlay, and also some small expenditure on works which were originally classed as productive but have since ceased to belong to that class, the total expected outlay on the construction of irrigation works in the three years ending 1916-17 is as follows:—

	Accounts, 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
	₹	₹	₹
Outlay on Productive Irrigation Works . .	1,68,47,695	1,33,80,000	1,35,00,000
Outlay on Protective Irrigation Works met from Famine Insurance grant.	73,30,560	72,92,000	62,84,000
Outlay on Protective Irrigation Works outside the Famine Insurance grant.	8,97,948	3,25,000	...
Other outlay from ordinary revenues . . .	1,40,035	2,26,000	52,000
Total ₹ .	2,52,16,238	2,12,23,000	1,97,86,000
Equivalent in Sterling £	1,681,082	1,414,900	1,319,100

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

244. The figures are :—

	Accounts, 1914-15.	Budget, 1915-16.	Revised, 1915-16.	Budget. 1916-17.
Total in Rupees . . .	54,05,418	40,00,000	50,00,000	40,00,000
Equivalent in sterling . . £	360,361	266,700	333,300	266,700

Revised, 1915-16.

245. The expenditure in the current year will exceed the Budget grant owing largely to existing commitments, and it is now expected to amount to R50 lakhs made up as follows :—

[Lakhs of Rupees.]

(*i*) Works Expenditure	43·06
(*ii*) Acquisition of land	—·53
(*iii*) Establishment and miscellaneous charges	7·47
TOTAL	50·00

Of the works expenditure, about R10 lakhs are being spent on the preparation of sites, the laying out of service roads, the provision of a temporary supply of water and of electric power, and other preliminary work; R8 lakhs on the purchase of tools, and plant and other stores; and R23 lakhs on work on the Government House and the Secretariat, and the construction of certain residential buildings and roads.

Budget, 1916-17.

246. The provisional distribution of the Budget estimate of R40 lakhs is given below :—

[Lakhs of Rupees.]

(*i*) Works expenditure	31·12
(*ii*) Establishment charges and other miscellaneous expenditure .	8·88
	40·00

Of the grant of R31·12 lakhs for works outlay, about one-fourth will be required for the preparation of sites and other preliminary work and for the further purchase of tools, plant, and other stores. The balance will be applied mainly to the construction of roads and buildings, work on which has already been commenced.

WAYS AND MEANS.

HOME TREASURY.

Introductory.

247. The bulk of the payments made in England on account of the Government of India consist of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways and irrigation works, however, necessitates heavy borrowing; and when practicable, a large portion of the money required is raised in England, either direct or through the agency of Companies. A further complication is introduced by the practice under which all payments made in England to Railway Companies working purchased lines, for purchase of stores and other capital purposes, as well as all moneys raised by them and paid into the Home treasury, are brought to account under the appropriate heads in this country and are treated in the Home accounts and estimates as remittances to or from India, respectively. Operations connected with the Gold Standard Reserve, and with the replacement of one particular form or item of direct or indirect debt by another, also largely swell the receipts and charges of the Home Treasury without affecting ordinarily the general Ways and Means programme.

248. The items mentioned in the preceding paragraph constitute the bulk of the transactions of the Home treasury in normal years. The conditions created by the war have led to certain abnormal transactions which have considerably affected the Ways and Means position in 1915-16 and will continue to affect it in 1916-17. Large sums are being received in England (1) from the Imperial Government and the Government of Australia in repayment of expenditure incurred on their behalf in India; and (2) by the sale of wheat purchased from Government funds in India. These indirect remittances from India have largely increased the resources of the Home treasury and reduced the need for direct remittances by Councils to finance its requirements.

249. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home treasury for 1915-16 and in the Budget estimate of 1916-17.

	Budget, 1915-16.	Revised, 1915-16.	Budget, 1916-17.
RECEIPTS.	£	£	£
Temporary debt renewed	7,000,000	7,000,000	5,500,000
Capital raised and deposited by Railway Companies—			
For Capital outlay	2,400	9,500	2,000
*For discharge of debentures	1,996,600	...	2,930,400
Deposits and Advances—			
Gold Standard Reserve	7,963,500	16,328,600	13,726,700
*Paper Currency Reserve	...	8,467,000	12,000,000
*War transactions: Recoveries from War Office	1,089,000	1,258,000	1,398,500
Other items	5,700	711,600	715,500
Remittance Account between England and India—			
Railway transactions (capital)	7,010,000	3,459,600	500,000
Ditto (capital advance)	6,500	28,300	6,500
Gold remitted from India	...	2,000,000	...
War transactions: Recoveries from War Office	9,086,000	16,120,200	19,415,000
Purchase and sale of wheat	...	6,305,500	...
Other transactions	1,269,000	3,271,300	3,259,500
Total Receipts, excluding Council Bills and Loans	35,428,700	64,959,600	59,454,100
DISBURSEMENTS.			
Excess of Expenditure over Revenue	18,764,900	19,539,900	19,067,200
Capital Expenditure not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	1,572,700	977,400	826,800
Outlay of Railway Companies	1,212,800	691,700	412,200
*Payments to Railway Companies for discharge of debentures	1,996,600	375,200	2,930,400
Permanent Debt discharged	907,500	907,500	500,000
Temporary Debt discharged	7,000,000	7,000,000	7,000,000
Deposits and Advances—			
Gold Standard Reserve	7,967,500	8,549,500	12,469,200
*Paper Currency Reserve	...	8,467,000	12,000,000
*War transactions†	1,089,000	1,258,000	1,398,500
Other transactions	2,000	703,300	788,600
Remittance Account between England and India—			
Railway transactions (capital)	510,000	...	500,000
Ditto (capital advance and revenue)	3,085,100	2,173,600	1,307,700
War transactions†	823,000	1,735,200	2,566,000
Reverse Bills	...	4,668,000	...
Purchase and sale of wheat	...	3,261,100	...
Other transactions	1,200,700	2,150,900	1,715,000
Total Disbursements	46,131,800	62,458,300	63,431,600
NET DISBURSEMENTS	10,703,100	—2,501,300	3,977,500
Financed as follows—			
Council Bill's	7,100,000	4,061,000	3,885,000
Permanent Debt incurred	...	...	...
Temporary Debt incurred	...	...	...
Reduction of cash balance	3,603,100	—6,562,300	92,500
Total	10,703,100	—2,501,300	3,977,500
Opening Balance	(a) 7,620,100	(b) 7,913,200	(c) 14,475,500
Closing Balance	(a) 4,017,000	(b) 14,475,500	(c) 14,883,000

* The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and disbursement under each of them are generally equal, they do not affect the Ways and Means of the year to any material extent.

† Outlay recoverable from War Office.

(a) Of these amounts £8,200 and £24,200 represent funds of the Gold Standard Reserve.

(b) " " £8,300 and £7,787,400 " " " " "

(c) " " £7,787,400 and £9,044,900 " " " " "

Revised, 1915-16.

250. The table in paragraph 249 shows that there will be a net receipt of £2,501,300 in the Home treasury in 1915-16 and that its balances at the end of the year will amount to about £14½ millions. These figures do not, however, represent the true position in respect of the transactions and balance of the treasury proper. To meet possible demands for payments of Reverse Councils in England, £7,779,100 of the funds of the Gold Standard Reserve has been temporarily paid into the Home treasury and is being let out on short loans to the Bank of England instead of being invested in securities. Eliminating this special receipt, the transactions of the Home treasury in 1915-16 are expected to result in a net disbursement of £5,277,800 of which £4,061,000 will be financed from Council Bills drawn against treasury balances in India, and £1,216,800 will be met by a reduction of the cash balances of the Home treasury proper. Allowing for the fact that the net disbursement of £10,703,100 in the Budget estimate for 1915-16 included a small net payment of £4,000 to the Gold Standard Reserve, the Revised estimate shows an improvement of £5,421,300 over the Budget, apart from the transactions connected with the Gold Standard Reserve. This improvement is the net result of the following variations from Budget anticipations:—

	£
(1) Larger recoveries from the War Office in respect of expenditure incurred in India on its behalf . .	6,122,000
(2) Net receipts in England under the "Wheat Scheme" .	3,044,400
(3) Receipt of gold from India . . .	2,000,000
(4) Savings in total grants for capital expenditure on railways, irrigation works and Delhi (inclusive of the net outlay of the various companies) . . .	2,056,800
(5) Increase in net receipts in connection with miscellaneous deposit and remittance transactions . . .	1,056,700
Total increase in receipts or reduction in outgoings	14,279,900
(6) Payment from treasury balances of Reverse Councils .	4,668,000
(7) Decrease in net receipts of capital from railway companies	3,415,600
(8) Increase in net expenditure chargeable to revenue .	775,000
Total decrease in receipts or increase in outgoings .	8,858,600
NET IMPROVEMENT .	5,421,300

251. The principal items working up to the increase of £1,056,700 in the net receipts from miscellaneous deposit and remittance transactions, shown in the table in the preceding paragraph, are: (*i*) recoveries aggregating £1,250,000 from public departments in England other than the War Office on account of expenditure incurred on their behalf in India in connection with the war; (*ii*) receipts amounting to £392,200 in connection with the employment of enemy ships, inclusive of sums received in England on account of vessels under the control of authorities in India; (*iii*) a receipt of £100,000 from the Egyptian Government in repayment of funds supplied to it from India; and (*iv*) a higher payment of £531,700 on account of family allotments and remittances of troops on the Indian establishment including those serving with the Indian Expeditionary Forces, and of £92,100 on account of certain advances. There will also be a net rise of £74,700 in the recoveries from various public departments in England of miscellaneous payments made on their behalf in India; but this will be more than counterbalanced by an increase in the expenditure incurred in England on account of Provincial Governments, local bodies, etc., which is recovered from them in India.

252. Apart from an adjustment of £39,000 on account of profit on exchange, the total drawings of Council bills on India in 1915-16 are expected to amount to £20,061,000. Of this sum, £4,061,000 will be utilised, as already stated, to meet the disbursements of the Home treasury; while £7,533,000 will be appropriated as a remittance of the Gold Standard Reserve, and £8,467,000 as a remittance of the Paper Currency Reserve. The drawings of Reverse Councils in India on London during the year amounted to £4,893,000. Of these, £225,000 was paid from the funds of the Gold Standard Reserve; and £4,668,000 was paid from the Home treasury, in view of the considerable improvement in its balances particularly with reference to the wheat transactions, and the need for strengthening the treasury balances in India.

The cash balance of the Home treasury at the end of 1915-16, exclusive of the sum held on account of the Gold Standard Reserve, is now estimated at about £6·7 million against a Budget forecast of £4 million.

253. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows :— *1915-16 Capital raised and deposited by Railway Companies.*

	Budget, 1915-16.	Revised, 1915-16.
RECEIPTS.	£	£
(*a*) *Subscribed Capital*—		
To discharge Debentures—		
Assam-Bengal Railway	650,000	...
Bengal-Nagpur Railway	1,239,600	...
Rohilkhund and Kumaon Railway	107,000	...
	1,996,600	...
(*b*) *Miscellaneous*—		
Transfer fees, etc.	2,400	9,500
TOTAL RECEIPTS	1,999,000	9,500
ISSUES.	£	£
For discharge of Debentures	1,996,600	375,200
For Capital outlay, *i.e.*, Stores, Establishment Charges, etc.	1,212,800	691,700
TOTAL	3,209,400	1,066,900

The Budget estimate provided for the renewal or replacement by fresh capital of £1,996,600 debentures of the Assam-Bengal, Bengal-Nagpur, and Rohilkhund and Kumaon Railway Companies. Debentures to the value of £1,621,400 only have been renewed; and the remaining £375,200 has been discharged from funds supplied by the Secretary of State.

254. The following are the details of the Railway remittance transactions. As already explained, they occur almost wholly in connection with the capital account of the purchased lines worked by companies :— *1915-16. Railway remittances.*

	Budget, 1915-16.	Revised, 1915-16.
RECEIPTS.	£	£
Debenture Capital—		
East Indian Railway	3,500,000	3,459,600
Great Indian Peninsula Railway	3,000,000	...
South Indian Railway	510,000	...
Miscellaneous—		
Transfer fees, etc.	6,500	28,300
TOTAL	7,016,500	3,487,900
ISSUES.		
Advances for purchase of stores—		
East Indian Railway	752,300	524,200
South Indian Railway	372,800	308,500
Bengal and North-Western Railway	47,700	14,700
Great Indian Peninsula Railway	1,415,300	958,100
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway)	449,700	320,300
TOTAL	3,037,800	2,125,800
Discharge of Debentures—		
South Indian Railway	510,000	...
Miscellaneous payments—		
East Indian Railway : rental paid to South Behar Railway Company	30,000	30,000
Rohilkhund and Kumaon Railway : Interest on Debenture Stock allocated to State works	17,300	17,800
TOTAL ISSUES	3,595,100	2,173,600

255. The Budget estimate for 1915-16 provided for (1) the issue of new capital of £3·5 million by the East Indian Railway Company, and of £3 million by the Great Indian Peninsula Railway Company, and (2) the replacement by fresh capital of £510,000 debentures of the South Indian Railway Company which would mature during the year. New 4½ per cent. debenture stock of the face value of £3½ million has been issued by the East Indian Railway Company producing the amount shown above; and the debentures of the South Indian Railway Company have been renewed. The Great Indian Peninsula Railway Company was not asked to raise any fresh capital during the year.

Loans, 1915-16.

256. In accordance with the Budget programme, £500,000 India bonds and £407,500 Indian Midland Railway debentures have been discharged; and £7 million India bills which matured during the year have been replaced by fresh issues, *viz.*:—

(1) £3½ million in September with a currency of 12 months at an average rate of £94-17-0·44;

(2) £3½ million in November with a currency of 12 months at an average rate of £94-12-11·87.

1916-17. The Budget Estimate.

257. The Budget estimate provides for a net disbursement of £3,977,500. The deterioration of £6,478,800 as compared with the net receipt of £2,501,300 in the current year's Revised is the net result of the following variations:—

Worse.

	£
Temporary Debt renewed, *less*	1,500,000
Receipts on account of the Gold Standard Reserve (net), *less*	6,521,600
Receipts in connection with purchase and sale of wheat (net), *less*	3,044,400
Net payments to Railway Companies, *more*	1,968,300
Gold received from India, *less*	2,000,000
Outlay on new Capital at Delhi, *more*	38,300

Better.

	£
Net expenditure on Revenue account, *less*	472,700
Permanent Debt discharged, *less*	407,500
Receipt from the War Office in respect of recoverable outlay incurred in India in connection with the war, *more*	2,464,000
Outlay on State Railways, *less*	171,000
Deposits, Advances and Miscellaneous Remittance transactions, *net*	392,700
Outlay on Irrigation Works, *less*	17,900
Reverse Bills, *less*	4,668,000

258. The details working up to the increase of £1,968,300 in the net payments to Railway Companies shown in the preceding paragraph are given below:—

	Revised, 1915-16.	Budget, 1916-17.
RECEIPTS—	£	£
Capital deposits by Railway Companies—		
For capital outlay	9,500	2,000
For discharge of debentures	...	2,930,400
Remittance account between England and India—		
Railway transactions	3,487,900	506,500
Total receipts	3,497,400	3,438,900
DISBURSEMENTS—		
Capital expenditure not charged to Revenue—		
Outlay of Railway Companies	691,700	412,200
Payments for discharge of debentures	375,200	2,930,400
Remittance account between England and India—		
Railway transactions	2,173,600	1,807,700
Total disbursements	3,240,500	5,150,300
NET DISBURSEMENTS	—256,900	1,711,400
Increase	1,968,300	

259. The reduction in the net receipts on account of the Gold Standard Reserve in 1916-17, as compared with 1915-16, arises from variations in the amount of funds of the Reserve held in the balances of the Home treasury at the beginning and at the end of each of the two years. The amount so held stood at £8,300 on the 1st April 1915, and is expected to stand at £7,787,400 at the end of the current year and at £9,044,900 at the end of 1916-17. Full details of the transactions of the Reserve in the two years are given in paragraph 263.

260. The improvement of £392,700 under Deposits, Advances and Miscellaneous Remittance transactions mentioned in paragraph 257 is the net result of the following principal causes of variation: (1) higher recoveries from public departments in England other than the War Office on account of expenditure incurred on their behalf in India in connection with the war (2) a decrease in the net receipts in connection with enemy vessels; and (3) smaller payments of family allotments of troops.

Loans, 1916-17.

261. Provision has been made in the Budget for the discharge of £500,000 India Bonds and of £1,500,000 India Bills which will mature during the year, and for the replacement of the remaining £5,500,000 India Bills.

262. Of the net disbursement of £3,977,500 in 1916-17, it is proposed to meet £3,885,000 by Council Bills, and £92,500 by drawing on the cash balances of the Home Treasury which are estimated to stand at the end of 1916-17 at £14,383,000 inclusive of £9,044,900 held on behalf of the Gold Standard Reserve.

1915-16 and 1916-17.

Gold Standard Reserve.

263. The following are the details of the transactions of the Gold Standard Reserve in England :—

	1915-16.		1916-17.
	Budget.	Revised.	Budget.
	£	£	£
RECEIPTS.			
(*a*) Dividend on investments, Discount on Treasury Bills, Interest on Loans at short notice and gain by exchange on remittances on account of the Reserve . .	374,300	606,400	875,900
(*b*) Remittance from India through Council Bills . . .	...	7,533,000	...
(*c*) Exchequer Bonds, British Treasury Bills and Colonial Government Securities, etc., paid off . .	7,589,200	5,839,200	12,850,800
(*d*) Release of Gold at the Bank of England	...	1,350,000	...
(*e*) Remittance from India through the Paper Currency Reserve . .	...	1,000,000	...
Total .	7,963,500	16,328,600	13,726,700
CHARGES.			
Investments made	7,806,000	8,224,000	12,469,000
Payments of Transfers and Bills on London	...	225,000	...
Deposit of Gold at the Bank of England	661,000	100,000	...
Custody of Gold at the Bank of England	500	500	200
Total .	7,967,500	8,549,500	12,469,200

264. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1915-16.	Revised, 1915-16.	Budget, 1916-17.
OPENING BALANCE—	£	£	£
(*a*) Invested (cost price) . . .	13,212,700	13,168,200	15,553,000
(*b*) Uninvested—			
(1) Gold set aside in the Bank of England . . .	1,250,000	1,250,000	...
(2) Gold held in India . .	5,238,300	5,238,200	245,200
(3) Cash in the Home Treasury placed at short notice .	8,200	8,300	7,787,400
(4) Balance due from Treasury balance in India . .	...	70,000	...
(5) Temporary loan to Treasury balance in India . .	7,000,000	7,000,000	4,000,000
	26,709,200	26,734,700	27,585,600
CLOSING BALANCE—			
(*a*) Invested (cost price) . . .	12,929,500	15,553,000	15,171,200
(*b*) Uninvested—			
(1) Gold set aside in the Bank of England.	1,911,000	...	...
(2) Gold held in India . .	5,483,300	245,200	385,200
(3) Cash in the Home Treasury placed at short notice. .	4,200	7,787,400	9,044,900
(4) Temporary loan to Treasury Balance in India . . .	7,000,000	4,000,000	4,000,000
	27,328,000	27,585,600	28,601,300
Difference between opening and closing balance representing net income in the year and made up as follows :—			
(1) Interest, etc., on investments in England and gain by exchange (*vide* paragraph 263) . .	374,300	606,400	875,900
Less charge for custody of gold	—500	—500	—200
(2) Interest on temporary loan to Treasury balance in India . .	245,000	245,000	140,000
TOTAL .	618,800	850,900	1,015,700

1915-16 and 1916-17. Summary of Debt transactions and Capital account of Railway Companies.

265. The following is a summary of the figures relating to Council Bills and the Sterling Debt of Government and of Railway Companies (omitting transfer fees, etc.) included in the estimates for 1915-16 and 1916-17 :—

	Budget, 1915-16.	Revised, 1915-16.	Budget, 1916-17.
RECEIPTS.	£	£	£
Council Bills	7,100,000	4,061,000	3,885,000
Temporary Debt incurred .	7,000,000	7,000,000	5,500,000
Receipts on account of the Subscribed Capital of Railway Companies	1,996,600	...	2,930,400
Receipts on account of the Debenture Capital of Railway Companies working purchased Railways	7,010,000	3,459,600	500,000
OUTGOINGS.			
Reverse Councils paid . .	...	4,668,000	...
Permanent Debt discharged .	907,500	907,500	500,000
Temporary Debt discharged .	7,000,000	7,000,000	7,000,000
Discharge of Railway Companies' Debentures (inclusive of Debentures of Companies working purchased lines) .	2,506,600	375,200	3,430,400

The programme herein announced of the probable drawings on India and of the transactions in connection with the Government Sterling Debt and the borrowings of Railway Companies, represents the present intentions of the Secretary of State. But in view of the varying conditions of Indian finance and of the London money market, no assurance can be given that this programme will be adhered to either in amount or in form. The Secretary of State reserves to himself the right to vary the programme to any extent that may be considered necessary during the course of the year. The estimate of Council drawings is for the amount necessary to provide for the Secretary of State's requirements, but additional Bills will as usual be sold if needed to meet the demands of trade.

INDIA.

266. The following is a summary of the Estimates of Ways and Means in India during 1915-16 and 1916-17 :—

	Budget Estimate, 1915-1916.		Revised Estimate, 1915-1916.		Budget Estimate, 1916-1917.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.
Receipts.	R	£	R	£	R	£
1. Excess of Revenue over Expenditure charged to Revenue	23,71,17,000	15,807,800	26,61,86,000	17,745,700	29,83,94,000	19,892,900
2. Capital raised through Companies towards outlay on State Railways	9,80,00,000	6,533,300	5,24,89,000	3,499,300	45,000	3,000
3. Capital contributed by Native States towards outlay on State Railways	10,00,000	66,700	10,00,000	66,700	10,00,000	66,700
4. Unfunded Debt incurred, mostly Savings Bank deposits (net)	—32,97,000	—219,900	1,27,88,000	852,500	38,21,000	254,700
5. Appropriation for Reduction or Avoidance of Debt	73,94,000	492,900	69,00,000	460,000	78,16,000	521,100
6. Other Deposits and Remittances (net)—						
(*a*) War Transactions	—1,50,60,000	—1,004,000	—1,93,000	—12,900	—7,04,000	—46,900
(*b*) Other Transactions	—45,91,000	—305,900	39,38,000	262,600	—59,93,000	—399,400
7. Remittance account between England and India—						
Transactions of Railway Companies (net) excluding debenture capital	4,61,78,000	3,078,600	3,21,80,000	2,145,300	1,95,18,000	1,301,200
7(*a*). Sterling transfers on London	...	...	7,00,20,000	4,668,000	...	...
Total Receipts excluding loans	36,67,41,000	24,449,500	44,53,08,000	29,687,200	32,38,97,000	21,593,300
Disbursements.						
8. Capital Expenditure not charged to Revenue—						
(*a*) State Railways and Irrigation Works	10,87,28,000	7,248,500	7,08,13,000	4,720,800	4,38,97,000	2,926,400
(*b*) Initial expenditure on new Capital at Delhi	27,48,000	183,200	48,05,000	320,300	32,30,000	215,400
(*c*) Outlay by Companies (net)	—1,27,22,000	—848,100	—89,81,000	—598,700	—31,82,000	—212,100
9. Permanent Debt discharged (net)	12,56,000	83,800	5,82,000	38,800	1,68,000	11,200
9(*a*). Temporary Debt discharged	...	...	4,50,00,000	3,000,000	...	...
*10. Provincial surpluses (—) or deficits (+)	1,61,63,000	1,077,600	84,75,000	565,000	52,89,000	352,600
11. Imperial and Provincial Loans (net)	—38,85,000	—259,000	—48,50,000	—323,300	—59,20,000	—394,600
12. Remittance account between England and India—						
(*a*) Capital raised by Railway Companies (net)	9,75,00,000	6,500,000	5,18,94,000	3,459,600	...	...
(*b*) Remittance of gold to England	...	...	3,00,00,000	2,000,000	...	...
(*c*) Transfers through Paper Currency Reserve	...	...	...	...	...	...
(*d*) War Office transactions (net)	11,34,90,000	7,566,000	21,67,47,000	14,449,800	25,27,35,000	16,849,000
(*e*) Purchase and sale of wheat	...	...	4,31,21,000	2,874,800	...	...
(*f*) Other transactions (net)	8,94,000	59,600	1,90,48,000	1,269,900	2,22,81,000	1,485,400
†13. Council Bills	10,89,00,000	7,260,000	6,85,55,000	4,570,300	5,82,75,000	3,885,000
Total Disbursements	43,30,72,000	28,871,600	54,52,09,000	36,347,300	37,67,73,000	25,118,300
Net Disbursements	6,63,31,000	4,422,100	9,99,01,000	6,660,100	5,28,76,000	3,525,000
Financed as follows:						
Permanent Debt incurred	4,50,00,000	3,000,000	4,99,90,000	3,332,700	6,50,00,000	4,333,300
Temporary Debt incurred (net)	...	...	...	...	...	...
Reduction of (+) or addition to (—) Treasury Balances	2,13,31,000	1,422,100	4,99,11,000	3,327,400	—1,21,24,000	—808,300
Total	6,63,31,000	4,422,100	9,99,01,000	6,660,100	5,28,76,000	3,525,000
Opening Balance	20,78,30,000	13,855,400	22,16,90,000	14,779,300	17,17,79,000	11,451,900
Closing Balance	18,64,99,000	12,433,300	17,17,79,000	11,451,900	18,39,03,000	12,260,200

* Head (10) represents expenditure defrayed by reduction of Provincial balances.

† The figures shown under head (13) differ from those given in the Home Treasury Ways and Means statement, as Bills drawn by the Secretary of State towards the end of one year are paid in India in the next. The figures of the present statement represent payments in India.

1915-16. Main features of Budget estimates.

267. In the Budget estimate for 1915-16, the cash balance in the Indian Treasuries on the 1st April 1915 was taken at R20,78 lakhs. It was estimated that (1) the net Imperial revenue in India would amount to R23,71 lakhs, (2) a sum of R74 lakhs would be available from the Famine Insurance grant for the avoidance of debt, (3) the remittance and capital transactions of railway companies, etc., would result in a net credit of R4,77 lakhs, and (4) a net receipt of R39 lakhs would accrue in connection with Imperial and Provincial loans. On the other hand, provision was made for: (1) a net expenditure of R1,62 lakhs from Provincial balances, (2) a net payment of R33 lakhs on account of Unfunded Debt, (3) capital expenditure in India on railways (inclusive of outlay by companies) and canals to the extent of R9,60 lakhs, (4) an outlay of R27 lakhs on the construction of the new Capital at Delhi, (5) the discharge of R12 lakhs of the permanent debt, (6) a net payment of R55 lakhs on account of miscellaneous deposit and remittance transactions, (7) a recoverable outlay of R11,35 lakhs in connection with the war, (8) a net expenditure of R1,51 lakhs on the replacement of military stores and *materiel* supplied

from our stock to the Imperial Government and (9) the payment of Council Bills to the extent of ₹10,89 lakhs. The total payments mentioned above aggregate ₹36,24 lakhs, against a total receipt of ₹29,61 lakhs; and it was proposed to meet the net disbursement of ₹6,63 lakhs by raising a rupee loan of ₹4·5 crores and by drawing on the cash balances to the extent of ₹2,13 lakhs.

1915-16. Main features of Revised estimates.

268. The results, according to the Revised estimate, show considerable variations from this forecast. The year opened with a cash balance which was ₹1,39 lakhs more than the Budget forecast, the increase being due almost wholly to the improvement in the revenue account in 1914-15 over the Revised estimate (see paragraph 6). The full amount of the contemplated rupee loan of ₹4·5 crores was duly raised in August, and an additional ₹50 lakhs, supplementing the main issue, was raised through the Post Office. The unsatisfactory collections of revenue in the earlier months of the year and the heavy indirect remittances to the Home treasury, in the shape of outlay on the purchase of wheat and recoverable expenditure in connection with the war, however, led to a considerable reduction in the treasury balances in India; and to relieve the strain, the bulk of the receipts from Reverse Councils sold in India on London was credited to Treasury, the opposite payment in England being made from treasury balances (see paragraph 252). The recoverable war expenditure has continued to rise heavily in the later months of the year But, on the other hand, there has been a satisfactory improvement in railway returns and in other revenue collections in recent months; while expenditure has been curtailed in all directions in pursuance of a policy of strict economy. It will accordingly be possible to make direct remittances in aid of the Home treasury, either by payment of councils or by actual shipment of gold, to the extent of about £6·6 million during the whole of the year, to repay £3 million of the temporary debt to the Gold Standard Reserve, and to close the year with a balance of ₹17·18 crores.

269. Taking the year as a whole, the net disbursements from treasuries in India in 1915-16, after allowing for the receipts from the new rupee loan will amount to ₹4,99 lakhs against a Budget estimate of ₹2,13 lakhs, the increase being due to the following variations:—

	Lakhs of ₹.
(1) Increase in expenditure incurred on behalf of the War Office	10,33
(2) Outlay in connection with the Wheat Scheme	4,31
(3) Repayment of a portion of temporary loan from Gold Standard Reserve	4,50
(4) Remittance of gold to London	3,00
(5) Reduction in net credits on account of remittance and capital transactions of railway companies, etc., owing mainly to a decrease in the capital expenditure which is incurred in England and is passed on to India for adjustment in the Indian accounts	1,39
(6) Increase in Delhi capital expenditure	21
(7) Increase in net issues in connection with miscellaneous deposit and remittance transactions	96
(8) Reduction in amount available from the Famine Insurance grant for the avoidance of debt	5
Total increase in outgoings or reduction in receipts	24,75
(9) Receipts on account of Reverse bills	7,00
(10) Reduction in payment of Council bills	4,03
(11) Lapse in the grant for capital expenditure on railways (inclusive of outlay by companies) and irrigation works	3,42
(12) Improvement in the combined revenue account of the Imperial and Provincial Governments	3,67
(13) Reduction in outlay on replacement of military stores and *materiel* supplied from stock to the Imperial Government	1,49
(14) Improvement under Unfunded Debt owing chiefly to smaller withdrawals from Post Office Savings Banks	1,61
(15) Increased receipts on account of the new rupee loan	50
(16) Increase in net recoveries on account of Imperial and Provincial loans	10
(17) Saving in provision for discharge of debt, mainly owing to the postponement of the repayment of the Gwalior loan of 1887 which fell due during the year	7
Total increase in receipts or reduction in outgoings	21,89
INCREASE IN NET DISBURSEMENTS	2,86

The increase of 96 lakhs in the net issues in connection with miscellaneous deposit and remittance transactions, shewn in the above analysis, results from a number of variations. Recoverable outlay amounting to ₹1,87 lakhs will be incurred in connection with the war on behalf of certain public departments in England other than the War Office. But on the other hand, special receipts amounting to ₹1,28 lakhs and ₹22 lakhs respectively will be obtained from the liquidation of hostile firms and the employment of captured enemy vessels, apart from the sums realised on the latter account in England and passed on to India for adjustment. There will also be material increases in other directions in the net issues under the deposit and remittance heads owing to (*i*) higher drafts on the banking accounts maintained with our treasuries by various local bodies, (*ii*) a reduction in the balance of uncashed railway cheques at the end of the year as compared with that at its beginning, (*iii*) larger advances for the payment of troops in the field, and various other causes; but these will be partly counterbalanced by an increase in the receipts on account of family allotments and remittances of troops and under certain other items.

1915-16. Rupee loan.

270. It was announced last year, subject to the usual reservations, that a rupee loan of ₹4½ crores would be raised in 1915-16. By a notification issued on the 28th July 1915, subscriptions were invited to a 4 per cent. short-term loan, to be issued at par, which would be redeemed after eight years in any case, while the Government reserved the right of redeeming it at any time after five years. Tenders for this loan were opened on the 17th August, the total sum tendered amounting to about ₹664 lakhs. Under the terms of the loan notification, ₹450 lakhs out of this sum were taken, all valid applications for ₹2,000 and under being accepted in full, while those in excess of that amount were allotted to the extent of 67·667 per cent. A commission of 1 per cent. on the amount of the loan was paid to the Presidency Banks in connection with its flotation. A supplementary section of the loan was issued for receiving subscriptions from small investors through the Post Office, and about ₹50 lakhs were received from this section which remained open till the end of October.

1916-17. Main features of Budget estimates.

271. In 1916-17 the net Imperial revenue in India is estimated at ₹29,84 lakhs; a sum of ₹78 lakhs will be available from the Famine Insurance grant for the avoidance of debt; the remittance and capital transactions of Railway Companies, etc., are likely to result in a net credit in India of ₹2,06 lakhs; and net receipts of ₹38 lakhs and ₹59 lakhs are anticipated respectively in connection with Unfunded Debt and Imperial and Provincial loans. On the other hand, provision has been made: (1) for an expenditure of ₹53 lakhs from Provincial balances; (2) for a payment of ₹2 lakhs in connection with the discharge of permanent debt; (3) for capital expenditure of ₹4,07 lakhs in India on railways and canals and of ₹32 lakhs on Imperial Delhi; (4) for a recoverable outlay of ₹25,27 lakhs to be incurred on behalf of the War Office; (5) for a net issue of ₹2,90 lakhs in connection with miscellaneous deposit and remittance transactions, of which ₹2,63 lakhs represent recoverable expenditure incurred in connection with the war on behalf of certain public departments in England other than the War Office; and (6) for the payment of Council Bills to the extent of ₹5,83 lakhs. The total amount of funds required by the Government of India next year therefore aggregates ₹38,94 lakhs, while the receipts at its disposal amount to only ₹33,65 lakhs.

New rupee loan.

272. It will not be possible to provide any portion of the net disbursement of ₹5,29 lakhs mentioned in the preceding paragraph from the cash balances which are expected to stand at the beginning of the year at ₹17,18 lakhs. It is accordingly proposed to budget for a new rupee loan of ₹6½ crores inclusive of the Post Office Section which is estimated to yield ₹50 lakhs. With a loan of this amount, it will be possible to close the year, according to the present estimate, with a balance of about ₹18,39 lakhs. It is also proposed to associate a scheme for the conversion of Government of India 3½ per cent. and 3 per cent. securities with the proposed loan, and to accept subscriptions in excess of the minimum of ₹6 crores for which the main loan will be issued up to a maximum limit of ₹12 crores in all, utilising any excess over the minimum in paying off the balance of the temporary debt to the Gold

Standard Reserve. The announcement now made regarding the rupee loan is in accordance with present intentions; but full liberty is reserved, as usual, to vary the programme now announced to any extent that may be considered desirable.

273. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1915-16 and 1916-17 :— *1915-16 and 1916-17.*

Post Office Savings Bank, etc.

Year.	Net additions to deposits, cash.	Interest.	Total addition.
1905-06	31,49,000	46,80,000	78,29,000
1906-07	50,94,000	52,25,000	1,03,19,000
1907-08	14,86,000	53,50,000	68,36,000
1908-09	—26,22,000	54,63,000	28,41,000
1909-10	51,82,000	57,20,000	1,09,02,000
1910-11	1,05,06,000	60,82,000	1,65,88,000
1911-12	1,95,69,000	67,79,000	2,63,48,000
1912-13	1,68,26,000	73,79,000	2,42,05,000
1913-14	2,37,05,000	84,07,000	3,21,12,000
1914-15	—8,35,53,000	78,82,000	—7,56,71,000
1915-16 (Revised)	49,66,000	70,18,000	1,19,84,000
1916-17 (Budget)	—42,34,000	73,04,000	30,70,000

274. The net withdrawals from Postal Savings Banks in the current year are now estimated at ₹5 lakhs. The Budget estimate for 1916-17 anticipates a further net withdrawal of ₹1,00 lakhs from these Banks, including withdrawals for the purpose of subscription to the Post Office Section of the new loan and a growth of ₹57½ lakhs in the deposits in the various Provident funds for Government servants.

J. B. BRUNYATE.

The 21st March 1916.

Appendix I.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

Prefatory Note.

I.—Scope of pro formâ account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Comptroller General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure.*

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the reconstruction of the accommodation of the troops already there had long been recognised as pressing. Similarly, the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5 The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "51—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "48—State Railways." Item 1 of Part I of *pro formâ* account. Item 3 (5), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Comptroller General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "45—Civil Works." Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXXI—Civil Works." Item 2, *ibid.* Item II, *ibid.*

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or, secondly, as departmental expenditure chargeable to the Department in which it is incurred.

Items 1 and I of Part II of *pro formâ* account.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations, and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. But as the Civil Estimates are not published till late in the year, a special arrangement has been made by which the figures for the Delhi province under each major head are separately shewn in the various sections of the Financial Secretary's memorandum (*e.g.*, I and 3, Land Revenue, page 21). It will be noted that any grants which may specially be given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and, consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads, respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department, neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 3 (*a*) and III of Part I of *pro formâ* account.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

Item I of Part I.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure in Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads "XXV—Miscellaneous" and "XXXI—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.	Actuals to end of 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "51" (for details see Statement I-A)	1,39,11	50,00	40,00
2. Temporary Delhi *	54,33	...	...
3. Initial expenditure of non-Civil Departments :—			
(*a*) Military services †	35,97	9,86	10,00
(*b*) Railways ‡	2,73	2,35	11
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	1,26	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	6	6
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	88	37	37
7. Miscellaneous items §	2,03	50	49
TOTAL	2,38,34	63,14	51,03
Total Expenditure to end of 1916-17		3,52,51	
Net expenditure to end of 1916-17		3,52,46	

RECEIPTS.	Actuals to end of 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move‖	...	...	...
II.—Non-recurring receipts on account of Temporary Works	...	...	...
III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi ‖	...	...	...
IV.—Miscellaneous items	3	2	...
TOTAL	3	2	...
Total receipts to end of 1916-17		5	

* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (*a*) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1914-15.	1915-16.	1916-17.
Acquisition of land	12,83	...	...
Cost of buildings	20,41	8,94	10,00
Establishment charges	1,53	82	
Tools and Plant	1,20	10	...
TOTAL	35,97	9,86	10,00

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Delhi Audit Office and the cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

‖ NOTE 5.—These heads record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus in 1913-14 and 1914-15 the Government of Bengal, by moving its offices into the vacated Imperial buildings in Calcutta, saved R1,36,000, partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMÂ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1914-15.	Revised Estimate, 1915-16.	Budgt Estimate, 1916-17.	Receipts.	Actuals, 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
1. Expenditure of Delhi Province* . .	40,65	34,07	29,46	I.—Revenues of Delhi Province*	16,38	16,12	16,24
2. Compensatory assignment to Punjab Provincial revenues in respect of extra expenditure incurred in administering territories which have been transferred from the old Delhi district to the districts of Rohtak and Gurgaon . .	23	13	13	II.—Assignment from Punjab Provincial revenues to Imperial on account of the creation of the new Province of Delhi, with effect from the 1st October 1912† .	1,91	1,91	1,91
3. Miscellaneous items .	4	3	4	III.—Saving under Calcutta house allowances‡ .	41	41	42
				IV.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices.§ . . .	2,50	2,50	2,50
Total expenditure .	40,92	34,23	29,63	V.—Miscellaneous items .	3	3	3
Net expenditure .	19,69	13,26	8,53	Total receipts .	21,23	20,97	21,10

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—This assignment represents the amount by which the Provincial outlay on the Delhi area exceeded the Provincial revenue obtained therefrom prior to the constitution of the Imperial enclave, *i.e.*, the net expenditure incurred on that area of which the Local Government has now been relieved.

‡ NOTE 3.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

§ NOTE 4.—The figure shown against item IV is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I.-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of pro formâ *account.*

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
A.—Salaries and allowances—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	2,04	...	...
(ii) Non-gazetted officers	14	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	8,19	4,26	5,87
(ii) Non-gazetted officers	3,00	2,54	2,56
(*c*) Other officers employed on the Project—			
(i) Gazetted officers*	1,94	82	52
(ii) Non-gazetted officers	69	33	21
B.—Travelling allowances of Officers and Establishment—			
(*a*) Preliminary Investigation—			
(i) Gazetted officers*	23	...	...
(ii) Non-gazetted officers	2	...	...
(*b*) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	65	48	42
(ii) Non-gazetted officers	31	22	19
(*c*) Other officers employed on the Project—			
(i) Gazetted officers *	8	5	3
(ii) Non-gazetted officers	5	2	...
C.—Supplies, Services and Contingencies—			
(*a*) Preliminary Investigation	51	...	...
(*b*) Public Works and Electrical officers employed on the Project	73	37	37
(*c*) Other officers employed on the Project	19	10	7
Deduct—Amount transferable to other heads of account	...	*1,72*	*1,36*
D.—Works Expenditure—			
(i) Buildings—			
(1) Government House	1,49	2,68	4,77
(2) Secretariat	2,81	6,65	8,63
(3) Other buildings	8,10	11,83	6,60
(ii) Communications	1,33	2,74	1,62
(iii) Miscellaneous Public Improvements	1,41	53	6
(iv) Electric Light and Power	...	...	25
(v) Irrigation	...	...	20
(vi) Sanitation including water-supply, drainage and sewage	...	...	50
(vii) Purchase of tools and plant	25,31	4,71	2,99
(viii) Stock and Suspense	8,63	3,20	1,17
(ix) Miscellaneous items	33,28	10,58	3,60
(x) Maintenance during construction	1,99	2,27	2,30
Deduct—Probable Savings	...	*2,13*	*1,57*
E.—Acquisition of land	35,95	*—53*	...
F.—Other Miscellaneous expenditure	6	...	...
Deduct.—Receipts on Capital Account	*2*	...	...
Total	1,39,11	50,00	40,00

* NOTE.—The charges of the town planners and other experts are included under these heads.

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupees.]

Receipts.				Expenditure.			
Major heads of Account.	Actuals, 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.	Major heads of Account.	Actuals, 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
I.—Land Revenue	3,19	4,13	3,80	1. Refunds and Drawbacks	13	9	12
II.—Opium	21	21	28	2. Assignments and Compensations	11	4	4
IV.—Stamps	3,27	3,38	3,29	3. Land Revenue	1,02	1,03	1,03
V.—Excise	2,74	2,68	2,58	6. Stamps	6	6	6
VI.—Provincial Rates	1	...	...	7. Excise	6	9	10
VII.—Customs	4	1	1	10. Income Tax	1	1	1
VIII.—Income Tax	2,58	1,63	2,14	11. Forest	...	...	...
X.—Registration	23	23	23	12. Registration	7	7	7
				13. Interest	...	...	...
XII.—Interest	36	36	33	18. General Administration	1,09(*a*)	1,08(*a*)	1,11(*a*)
XVI-A.—Courts of Law	18	21	22	19-A. Courts of Law	2,43	1,68	1,64
XVI-B.—Jails	33	35	32	19-B. Jails	74	72	71
XVII.—Police	5	5	5	20. Police	4,30	4,09	4,14
XIX.—Education	15	15	14	22. Education	2,35	1,78	1,72
XX.—Medical	2	2	2	23. Ecclesiastical	16	21	20
				24. Medical	5,21	3,03	2,35
XXIA.—Agriculture	...	...	...	25. Political	1	1	1
XXIB.—Scientific and Miscellaneous Departments.	5	1	1	26A. Agriculture	11	11	12
				26B. Scientific and Miscellaneous Departments.	9	11	...
XXII.—Receipts in aid of Superannuation, etc.	4	4	4	27. Territorial and Political Pensions.	56	51	51
XXIII.—Stationery and Printing	5	6	8	29. Superannuation and Retired allowances.	1,77	1,90	1,76
				30. Stationery and Printing	11	16	11
XXV.—Miscellaneous	45	37	41	32. Miscellaneous	88	48	1,08
XXX.—Minor Irrigation Works and Navigation.	1	2	2	43. Minor Irrigation Works and Navigation.	1	1	1
XXXI.—Civil Works	2,42	2,21	2,27	45. Civil Works	19,37	16,80	12,56
Total Receipts	16,38	16,12	16,24	Total Expenditure	40,65	34,07	29,46

(*a*) The difference between the figures shown here and those shown in the table on page 587 against 'Delhi' represents the proportionate cost of the Delhi Audit Office relating to the Delhi Project which is included in Part I of the *pro formâ* account under '7—Miscellaneous items.'

APPENDIX.

Appen

COMMERCIAL AND

TABLE I.—MIS

	1907-08.	1908-09.	1909-1910.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works and the Delhi Capital not charged against Revenue—			
Surplus	£ 300,615	...	£ 606,641
Deficit	...	£ 3,737,710	...
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 11,412,767	£ 10,471,657	£ 7,373,966
Ditto charge involved in Redemption of Liabilities	£ 2,144,800	...	...
Initial Expenditure on new Capital at Delhi	...	...	...
Net Public Debt incurred	£ 10,725,963	£ 5,633,956	£ 10,408,347
Net Public Debt incurred, including Capital transactions with Railway Companies	£ 13,311,920	£ 10,370,196	£ 10,747,575
Value of commodities exported, excluding Gold and Silver	₹ 1,77,48,50,000	1,53,14,30,000	1,87,96,80,000
Ditto imported, ditto ditto	₹ 1,36,64,80,000	1,28,78,70,000	1,22,65,10,000
Excess of Exports over Imports, excluding Gold and Silver	₹ 40,83,70,000	24,35,60,000	65,31,70,000
Net Imports of Gold	₹ 17,36,80,000	4,35,60,000	21,67,90,000
Ditto of Silver	₹ 19,46,80,000	12,06,80,000	9,44,50,000
TOTAL NET IMPORTS OF GOLD AND SILVER	₹ 36,83,60,000	16,42,40,000	31,12,40,000
Excess of Exports over Imports including Gold and Silver	₹ 4,00,10,000	7,93,20,000	34,19,30,000
Grand Total value of Imports and Exports of all kinds	₹ 3,61,86,60,000	3,10,99,40,000	3,54,54,20,000
Secretary of State's Bills sold (Rupees)	₹ §24,30,65,151	§20,96,37,188	§40,54,12,663(a)
Sterling Equivalent received	£ §16,232,061	§13,915,426	§27,096,586(a)
Silver coined at the Indian Mints	₹ 18,11,56,540	2,85,35,914	2,17,56,166
Maximum price in pence of an oz. troy, standard Silver in London	32 5/16 (Aug.)	25 1/2 (Apl.)	24 13/16 (May)
Minimum ditto ditto	24 (Dec.)	22 (Dec.)	23 1/16 (October)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4·029d.	1s. 3·964d.	1s. 4·041d.
Fixed rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1s. 4d.	1s. 4d.	1s. 4d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	9 (from Apl. 1 to 17 and Jan. 16 to Mar. 4).	8 (from Jan. 28 to Mar. 17).	7 (from 1 to 28 Apl. & 3 to 31 March).
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (from July 25 to Sept. 11).	3 (from July 15 to Sep. 2).	3 (from 1 July to 29 Sept.).
Maximum rate of discount at the Bank of England	7 (Nov. 7 to Dec. 31).	3 (Apl. 1 to May 27 & Jan. 14 to Mar. 31).	5 (October 21st to Decr. 8th).
Minimum ditto ditto	3½ (Mar.)	2½ (May 27 to Jan. 13).	2½ (Apl. 1st to October 6th).
Maximum Government balances at the three Presidency Banks	₹ 4,10,83,000 (Mar.)	4,19,82,000 (July)	4,58,77,000 (July)
Minimum ditto ditto	₹ 2,86,56,000 (Apl.)	3,04,47,000 (Jan.)	3,07,61,000 (Apl.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	98—6 (May 4 to 7)	96—15 (Apl. 7)	95—5 (24 Aug.)
Minimum ditto ditto	95—8 (Jan. 14 and 15).	93—2 (Mar. 16)	92—12 (4 to 7 Dec.).
Maximum price in Calcutta of 3 per cent Rupee Securities	82—8 (Apl. 1 to May 14).	81—0 (July 18 to Mar. 31).	82—0 (31 Aug. to 11 Nov.).
Minimum ditto ditto	79—0 (5th Feb. to Mar. 31).	79—0 (Apl. 1 to May 3).	79—12 (27 Nov.)
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts	₹ 16,44,30,000 (Apl.)	15,29,69,000 (Apl.)	16,06,73,000 (Oct.)
Minimum ditto ditto	₹ 15,23,22,000 (Mar.)	14,43,66,000(Mar.)	14,81,15,000 (Apl.)
Maximum price in London of 3½ per cent (Rupee Securities in Gold)	65¾ (Apl. & May)	63 13/16 (Apl.)	63 5/16 (Oct.)
Minimum ditto ditto	62¾ (Nov.)	61⅞ (Mar.)	61⅞ (Apl.)
Maximum price in London of India 3½ per cent Stock	103 (Feb.)	102⅜ (June)	100⅜ (May)
Minimum ditto ditto	96¾ (Aug.)	95⅞ (Mar.)	95 (March)
Maximum price in London of India 3 per cent Stock	93 (Feb.)	92⅞ (Apl.)	90½ (Apl.)
Minimum ditto ditto	84½ (Sep.)	84½ (Mar.)	81⅝ (March)
Maximum price in London of India 2½ per cent Stock	79½ (Feb.)	78¾ (Apl.)	76 (Apl.)
Minimum ditto ditto	70½ (Aug.)	70 (Jan.)	69 (March)
Maximum Government Paper Currency outstanding	52,74,34,000 (Sept.)	48,09,87,000 (July)	54,40,84,000(Mar.)
Minimum ditto ditto	₹ 41,81,65,000 (Jan.)	42,07,01,000 (Dec.)	43,64,99,000 (Apl.)
Number of Post Office Savings Banks	8,328	8,501	8,767
Number of accounts in Post Office Savings Banks	1,262,763	1,318,632	1,378,916
Amount deposited in Savings Banks	₹ 15,18,14,343	15,23,41,514	15,86,71,786
Average of each deposit	120·22	115·53	115·07
Net addition to deposits	41,44,554	5,27,171	63,30,272

*Excludes capital charge involved in redemption of liabilities.

§ Include remittances of the Gold Standard Reserve.

dix.

FINANCIAL STATISTICS
CELLANEOUS.

1910-1911.	1911-1912.	1912-1913.	1913-1914.	1914-1915.	1915-1916, Revised.	1916-1917, Budget.
£ 3,936,287	£ 3,940,334	£ 3,107,634	£ 2,312,423	...	...	825,700
...	...	...	...	£ 1,785,270	£ 1,794,200	...
£ 10,119,093	£ 8,517,915	£ 10,221,224	£ 11,765,462	£ 11,633,038	£ 5,685,200	3,701,900
£ 5,904,100	...	...	...	...	...	...
...	£ 4,992	£ 114,894	£ 447,134	£ 360,361	£ 333,300	266,700
£ 8,896,956	£ 1,823,173	£ 2,937,639	£ 118,200	£ 2,727,294	£ 2,386,400	3,822,100
£ 12,654,438	£ 854,140	£ 2,373,391	£ 2,868,044	£ 5,721,108	£ 5,509,100	3,545,900
2,09,96,20,000	2,27,99,00,000	2,46,21,80,000	2,49,00,70,000	1,82,17,60,000	1,80,05,30,000(*b*)	
1,33,70,60,000	1,44,05,50,000	1,66,63,00,000	1,91,30,80,000	1,44,93,10,000	1,26,57,70,000(*b*)	
76,25,60,000	83,93,50,000	79,58,80,000	57,69,90,000	37,24,50,000	53,47,60,000(*b*)	
23,97,90,000	37,76,00,000	34,00,10,000	23,32,40,000	7,64,70,000	†—*1,36,80,000*(*b*)	
8,63,00,000	5,33,70,000	17,19,90,000	13,03,30,000	8,87,20,000	4,68,40,000(*b*)	
32,60,90,000	43,09,70,000	51,20,00,000	36,35,70,000	16,51,90,000	3,31,60,000(*b*)	
43,64,70,000	40,83,80,000	28,38,80,000	21,34,20,000	20,72,60,000	50,16,00,000(*b*)	
3,90,53,00,000	4,35,89,00,000	4,85,31,20,000	4,90,83,80,000	3,54,20,40,000	3,26,15,50,000(*b*)	
§40,02,50,114(*a*)	40,37,70,748(*a*)	38,49,88,178	§ 46,59,68,715	§ 11,61,88,392	§50,30,57,000(*a*)	5,82,75,000
§26,783,303(*a*)	27,058,549(*a*)	25,759,706	§31,200,827	§7,748,112	§20,100,000(*a*)	3,885,000
2,19,25,112	2,80,74,320	19,53,69,944	13,15,68,537	2,17,95,335	1,64,00,184	
26¼ (October)	27⅞ (February)	29¾ (3rd December).	28 1/16 (22nd September).	27¼ (30th Apl.).	27 15/16 (24th Jan. 1916.)	
23 11/16 (February)	23 15/16 (July)	26 1/16 (25th March)	25 15/16 (1st December).	22⅛ (13th and 14th Novr.).	22⅜ (5th Aug. 1915.)	
1*s.* 4·061 *d.*	1*s.* 4·084*d.*	1*s.* 4·058*d.*	1*s.* 4·070*d.*	1*s.* 4·004*d.*	1*s.* 4·076*d.*	1*s.* 4*d.*
1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*	1*s.* 4*d.*		
8 (from 23rd Feb. 1911 to 29th Mar. 1911)	8 (from 26th Jan. to 6th Mar.).	8 (from 9th Jan. to 12th Feb.).	7 (1st to 16th Apl. and 13th Nov. 1913 to 18th Mar. 1914).	6(1st to 30th Apl. and 5th Nov. to 31st Dec. 1914 and 1st Jan. to 31st March 1915).	8 (20th Jan. 1916 to 14th March 1916.)	
3 (from 1st July to 21st Sept.).	3 (from 3rd Aug. to 31st Aug.).	3 (from 11th July to 11th Sept.).	3 (3rd July to 6th Aug.).	3(9th July to 5th Aug.).	5 (2nd June to 22nd Sept.).	
5 (Oct. 20th to Nov. 30th).	4 (from 21st Sept. 1911 to 7th Feb. 1912).	5 (17th October 1912 to 31st March 1913).	5 (1st to 16th April and from 2nd October 1913 to 7th January 1914).	10 (from 1st to 5th Aug. 1914).	5 (from 1st Apl. 1915 to 15th Mar. 1916.)	
3 (June 9th to Sept. 28th and Mar. 9th to Mar. 31st).	3 (from 1st Apl. to 20th Sept. 1911).	3 (9th May to 28th August).	3 (29th January to 31st March 1914).	3 (from 1st Apl. to 29th July).		
4,10,08,000 (Sept.)	4,48,68,000 (Nov.)	5,65,10,000 (Mar.)	6,18,88,000 (Oct.)	10,12,86,000(Aug.)	8,87,07,000 (Aug.)	
3,53,92,000 (June)	3,68,74,000 (Feb.)	4,00,35,000 (Apl.)	4,85,95,000 (May)	4,84,04,000(Nov.)	4,42,76,000 (Nov.)	
96—10 (2nd Aug.)	96—14 (9th Dec.)	97—2 (3rd to 6th May).	96—12 (19th and 21st July).	96-1 (from 14th to 15th and 17th to 25th July 1914).	93-2 (5th to 11th June 1915.)	
93—6 (7th Nov.)	94—12 (3rd & 4th Oct.).	94—12 (3rd & 6th Jan.).	94—14 (13th & 17th Oct.).	(*d*) 91-8 (13th to 31st March).	(*d*) 79½ (23rd Dec. 1915 to 6th Jan. 1916.)	
82—0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.).	82—0 (1st to 23rd Apl., 5th May to 24th Sept., 27th Sept. to 9th Oct. and 20th Nov. to 31st Mar.).	83—0 (7th May to 14th Oct.).	83—0 (2nd to 4th Sept. 1913 and from 26th Feb. to 31st March 1914).	83 (1st April to 6th Aug. 1914).	80 (1st Apl. to 28th June 1915.)	
80—4 (5th Dec.)	81—0 (25th & 26th Sept. and 10th to 14th Oct.).	82 —0 (1st to 24th Apl. & 24th Oct. 1912 to 31st March 1913).	82—0 (1st Apl. to 26th Aug.).	77 (31st Aug. to 3rd Sept. 1914).	67½ (23rd Dec. 1915 to 6th Jan. 1916.)	
15,07,31,000 (Apl.)	12,68,10,000 (Apl.)	11,65,48,000 (Apl.)	11,11,55,000 (Apl.)	9,95,58,000(Apl.	9,66,98,000 (Apl.)	
12,78,50,000(Mar.)	11,73,04,000 (Mar.)	11,13,78,000 (Jan.)	10,08,74,000(Mar.)	9,73,00,000(Mar.)	8,81,17,000 (Dec.)	
64 9/16 (Feb.)	64⅝ (Dec.)	64¾ (May)	64⅛ (Feby.)	(*e*) 63⅞ (May)	No quotation.	
62 11/16 (Oct.)	63⅓ (Oct.)	63 5/16 (Mar.)	63½ (Apl.)	(*e*) 63 (July)		
97⅜ (Feb.)	96¼ (Apl.)	94 1/16 (Apl.)	93⅜ (Jan.)	90½ (Apl.)	82⅝ (May).	
92⅜ (Sept.)	91 (Sept.)	89 (Mar.)	84 5/16 (Jan.)	80¼ (Mar.)	(*f*) 80¾ (Apl.)	
84⅜ (Feb.)	84 3/16 (Apl.)	80¾(Apl.)	80⅜ (Jan.)	77¼ (Apl.)	70½ (Apl.)	
79½ (Sept.)	78⅝ (Sept.)	75 (Mar.)	71½ (Dec.)	69¼ (Mar.)	(*f*) 69¼ (Apl.)	
70⅞ (Feb.)	70⅛ (Apl.)	67½ (Apl.)	66 1/16 (Feby.)	64 (Apl.)	59⅜ (Apl.)	
66 (Sept.)	65½ (Sept.)	62 5/16 (Mar.)	59½ (Jan.)	(*c*) 58 (Jan.)	(*f*) 57 (May.)	
59,16,45,000(July)	61,36,25,000(Mar.)	68,97,78,000(Mar.)	69,89,84,000(July)	75,44,53,000(July)	68,06,10,000(July)	
49,67,01,000 (Dec.)	54,68,58,000 (Apl.)	58,33,57,000 (Apl.)	61,79,95,000(Sept.)	59,54,67,000(Feb.)	60,24,42,000 (Apl.)	
8,929	9,502	9,460	9,824	10,161		
1,430,451	1,500,834	1,566,860	1,638,725	1,644,074		
16,91,88,224	18,89,85,439	20,61,14,503	23,16,75,467	14,89,26,323		
118·28	125·92	131·55	141·38	90·58		
1,05,16,438	1,97,91,215	1,71,29,064	2,55,60,964	8,27,49,144		

(*a*) Include remittance of the Currency Department.
(*b*) Figures for 11 months (April to February).
(*c*) Official minimum price, 3rd January to 19th March 1915.
(*d*) Buyer's rate.
(*e*) No quotations since August 1914.
(*f*) Official minimum price fixed, 19th March 1915.

† Represents net exports of gold.

Appendix—*continued.*

Commercial and Financial Statistics.

Table II.—Capital Expenditure on State Railways in 1914-1915, and Estimated Expenditure on such works in 1915-1916 and 1916-1917, and to end of 1916-1917.

Railways.	To end of 1913-1914.	Accounts, 1914-1915.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.	To end of 1916-1917.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
Open Lines.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Agra-Delhi Chord	1,45,94,620	1,52,645	13,000	43,000	1,48,02,965	...	...	
Aden Tramway	...	...	5,38,000	...	5,38,000	...	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	...	...	
Assam-Bengal (Construction)	9,53,07,841	45,71,886	20,49,000	20,67,000	10,39,95,727	...	...	
Ditto (Land)	51,17,313	4,47,561	25,000	...	55,89,874	...	...	
Baran-Kotah	46,47,772	...	...	...	46,47,772	...	...	
Bengal-Nagpur Railway	(a)23,27,71,091	70,97,210	59,86,000	35,14,000	24,93,68,301	...	...	(a) Includes overdraft and advances of the Bengal Nagpur Railway Company amounting to Rs. 20,17,70,996 at end of 31st December 1910, treated as state outlay.
Bezwada Extension	12,33,842	8,916	7,000	2,000	12,51,758	...	...	
Bhopal	40,23,467	46,239	40,000	28,000	41,37,706	...	...	
Bombay, Baroda and Central India	48,14,80,459	1,20,46,348	61,64,000	34,27,000	50,31,17,807	...	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	...	...	
Burma Railway Extensions	2,20,24,166	86,909	*—20,000*	55,000	2,21,46,075	...	...	
Cawnpur-Banda	69,34,118	9,00,446	56,000	25,000	79,15,564	...	...	
Coonoor-Ootacamund	39,68,192	3,32,137	12,000	10,000	43,22,329	...	...	
Dharmapuri Hosur Extension	21,60,805	*—19,669*	*—5,000*	*—10,000*	21,26,136	...	...	
Dhone-Kurnool	10,08,750	*—1,061*	5,000	5,000	10,17,689	...	...	
East Indian	50,95,59,804	3,46,13,473	72,67,000	59,23,000	55,73,63,277	...	...	(b) Includes Rs. 23,510 on account of Survey outlay brought on to the construction account during 1913-14.
Eastern Bengal	31,73,77,894 (b)	2,31,52,887	1,12,12,000	61,59,000	35,79,01,781	...	...	
Frontier Railway Reserve Material	43,60,321	*—1,663*	...	...	43,58,658	...	...	
Carried over	1,80,40,42,679	8,34,33,964	3,33,49,000	2,12,48,000	1,94,20,73,643	...	...	

Appendix—*continued.*

Railways.	To end of 1913-1914.	Accounts, 1914-1915.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.	To end of 1916-1917.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward .	1,80,40,42,679	8,34,33,964	3,33,49,000	2,12,48,000	1,94,20,73,643	...	...	
Open Lines.								
Great Indian Peninsula System . .	38,33,42,154	2,71,17,860	2,17,31,000	57,72,000	43,79,63,014	...	...	
Jodhpur-Hyderabad (British Section) .	43,71,962	49,344	59,000	24,000	45,04,306	...	...	
Jorhat	10,64,859	6,887	22,000	26,000	11,19,746	...	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	...	...	
Madras and Southern Mahratta Railway (Madras Section)	(c) 15,14,85,845	...	...	...	15,14,85,845	...	...	(c) Differs from last year by Rs. 14,41,805 due to certain transfers made between the heads "Capital Account of Indian Railway Companies" and "48—State Railway Construction" without financial adjustment.
North-Western	(d) & (e) 78,79,10,035	2,53,36,828	57,35,000	60,51,000	82,50,32,863	...	...	
Oudh and Rohilkhand	(e) 27,18,84,322	42,76,344	8,80,000	5,72,000	27,76,12,666	...	...	
Petroleum Operations, Baluchistan . .	1,19,187	...	...	...	1,19,187	...	...	(d) Includes Rs. 7,372 on account of the survey outlay on the Jokhal Hansi Railway brought on to the construction account during 1913-14.
Rohilkund and Kumaon Railway (Ganges bridge)	76,416	...	...	...	76,416	...	...	
South Indian	16,19,26,572	46,07,718	28,21,000	15,28,000	17,08,83,290	...	...	(e) Include an adjustment of Rs. 72,079 on account of the value of three saloons transferred from Oudh and Rohilkhand Railway to North Western Railway.
Tinnevelly Quilon (British Section) .	44,19,508	*—56,636*	18,000	1,000	43,81,872	...	...	
Ditto (Native State Section) .	1,18,23,906	*—117*	29,000	3,000	1,18,55,789	...	...	
Tirhoot Railway and Extensions .	8,07,86,397	9,28,615	10,000	2,42,000	8,19,67,012	...	...	
Warora Colliery	10,94,193	*—14,764*	...	...	10,79,429	...	...	
Total Open Lines .	3,66,94,69,174	14,56,86,043	6,46,54,000	3,54,67,000	3,91,52,76,217	...	...	

Appendix—*continued.*

Railways.	To end of 1913-1914.	Accounts, 1914-1915.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.	To end of 1916-1917.	Sanctioned Outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines brought forward .	3,66,94,69,174	14,56,86,043	6,46,54,000	3,54,67,000	3,91,52,76,217	...	...	
Lines under construction.								
Bombay Harbour Branch Extension .	14,50,374	3,73,901	19,00,000	7,00,000	44,24,275	51,58,315	7,34,040	
Burdwan-Howrah	12,13,184	86,37,634	23,25,000	23,22,000	94,97,818	91,36,526	*—3,61,292*	
Itarsi-Nagpur and branch to Pench Valley Coalfields	2,05,68,629	33,47,365	33,10,000	3,00,000	2,75,25,994	3,37,05,415	61,79,421	
Kalaura Sylhet	13,77,000	4,43,092	2,80,000	91,000	21,91,092	26,30,182	4,39,090	
Laki-Pezu Tank	10,76,341	8,76,129	6,80,000	3,43,000	29,75,470	25,28,432	*—4,47,038*	
Southern Shan States	1,32,95,785	19,70,311	3,65,000	50,000	1,56,81,096	1,98,43,996	41,62,900	Work proceeding up to Aungban, for which the sanctioned estimate amounts to Rs. 1,42,23,372.
Total Lines under construction	3,89,81,313	1,06,48,432	88,60,000	38,06,000	6,22,95,745	7,30,02,866	1,07,07,121	
Total Open Lines, carried over	3,66,94,69,174	14,56,86,043	6,46,54,000	3,54,67,000	3,91,52,76,217	...	...	

Appendix—*continued.*

Railways.	To end of 1913-1914.	Accounts, 1914-191	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.	To end of 1916-1917.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Total Open Lines, brought forward .	3,66,94,69,174	14,56,86,043	6,46,54,000	3,54,67,000	3,91,52,76,217			
Total Lines under Construction, brought forward	3,89,81,313	1,06,48,432	88,60,000	38,06,000	6,22,95,745			
Lines in abeyance or Transferred to Companies, etc.								
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416			
Bilaspur-Etawah	75,132	...	...	...	75,132			
Nagpur-Chhattisgarh (Depreciation Account).	6,57,038	...	...	...	6,57,038			
Ranaghat-Bhagwangola . . .	3,02,450	...	...	...	3,02,450			
Southern Mahratta (Depreciation on works, etc.)	5,27,071	...	...	...	5,27,071			
Umaria Colliery	1,82,672	...	...	...	1,82,672			
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035			
Total Lines in abeyance, etc. .	1,85,67,814	...	...	...	1,85,67,814			
Stores	(*f*)2,99,683	13,00,611	...	...	16,00,294			(*f*) Includes an adjustment of Rs. 9 relating to the accounts of 1913-14.
Coaching stock and goods wagons, to be built by Indian Engineering firms.	...	...	...	14,70,000	14,70,000			
Reserve	...	...	...	18,01,000	13,01,000			
Deduct lapse anticipated . .	...	...	15,98,000	...	15,98,000			
GRAND TOTAL .	3,72,73,17,984	15,76,35,086	7,19,16,000	4,20,44,000	3,99,89,13,070			

Appendix—*concluded.*

Railways.	To end of 1913-1914.	Accounts, 1914-1915.	Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.	To end of 1916-1917.	Sanctioned outlay.	Balance remaining unspent.	Remarks.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
Grand Total, brought forward .	3,72,73,17,984	15,76,35,086	7,19,16,000	4,20,44,000	3,99,89,13,070	...	...	
Distributed as under—								
Capital Expenditure on Railways (not charged to Revenue)—								
State Railways —Construction* .	2,66,33,55,807	15,76,47,868	7,18,99,000	4,20,28,000	2,93,49,30,675			
Redemption of Liabilities† . .	90,75,31,543	...	...	...	90,75,31,543			
Famine Relief and Insurance—								
Protective Railways . . .	7,87,51,333	—19,669	—*5,000*	—*10,000*	7,87,16,664			
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	5,45,35,712	...	...	...	5,45,35,712			
Construction of Railways (charged to Provincial Revenues).	74,64,104	6,887	22,000	26,000	75,18,991			
Other Expenditure charged against Revenue.	1,56,79,485	...	...	...	1,56,79,485			
Total as above .	3,72,73,17,984	15,76,35,086	7,19,16,000	4,20,44,000	3,99,89,13,070	...	...	

* Includes debentures raised by Companies—

Bombay, Baroda and Central India Railway	1,43,90,464	...	..	...	1,43,90,464
East Indian Railway	21,88,09,015	...	5,18,94,000	...	27,07,03,015
Great Indian Peninsula Railway . . .	4,87,97,364	...	...	...	4,87,97,364
South Indian Railway	2,27,67,237	3,44,28,664	...	...	5,71,35,901
Capital contributed by the Jaipur Durbar towards outlay on the Nagda Muttra Railway.	40,00,000	10,00,000	10,00,000	10,00,000	70,00,000
Bombay, Baroda and Central India Railway Contribution from Provident Fund and advances by the Home Board.	7,20,000	11,00,000	5,95,000	45,000	24,60,000
Total .	30,94,24,080	3,65,28,664	5,34,89,000	10,45,000	40,04,86,744

†

	Rs.
Bombay, Baroda and Central India Railway	18,72,06,696
East Indian Railway	18,05,98,229
Eastern Bengal Railway	3,10,54,458
Great Indian Peninsula Railway	8,88,35,250
Madras and Southern Mahratta Railway	3,21,72,000
North Western Railway	7,36,74,320
Oudh and Rohilkhand Railway	15,50,40,735
South Indian Railway	7,03,88,355
Indian Midland Railway	6,35,61,500
Total .	90,75,31,543

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1914-15, and Estimated Expenditure on such works in 1915-16, and 1916-17, and to the end of 1916-17.

	Actual outlay to end of 1913-14.	Accounts, 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.	Total actual and estimated outlay to end of 1916-17.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
PRODUCTIVE WORKS.	₹	₹	₹	₹	₹	₹	₹
North-West Frontier Province.							
Paharpur Inundation Canal	9,05,444	...	...	...	9,05,444		
Upper Swat River Canal	1,48,17,849	25,77,326	13,98,000	10,30,000	1,98,23,175		
Lower ditto	41,34,178	55,821	—10,000	—80,000	40,99,999		
Kabul River Canal*	11,02,159	1,950	12,000	...	11,16,109		
Madras.							
Godavari Delta System	1,26,59,398	65,917	1,35,000	1,42,000	1,30,02,315	1,32,35,040	2,32,725
Kistna Delta System	1,50,30,707	1,08,179	79,000	13,000	1,52,30,886	1,52,63,455	32,569
Penner River Canals System	56,73,986	6,052	9,000	8,000	56,97,038	57,37,245	40,207
Periyar Project	1,02,05,653	46,320	31,000	4,000	1,02,86,973	1,02,95,457	8,484
Cauvery Delta System	39,47,400	70,369	73,000	45,000	41,35,769	42,10,717	74,948
Kurnool Cuddapah Canal	2,26,16,627	49,275	86,000	79,000	2,28,30,902	2,30,20,121	1,89,219
Nagavalli River Project	15,66,800	40,127	15,000	24,000	16,45,927	17,55,412	1,09,485
Divi Island Project	18,43,844	20,577	15,000	18,000	18,97,421	20,41,474	1,44,053
Lower Coleroon Anicut*	18,23,413	25,862	...	...	18,49,275		
Shatiatope Anicut *	9,06,839	9,103	...	...	9,15,942		
Toludur Project	28,926	3,00,397	2,85,000	7,52,000	13,66,323	22,13,000	8,46,677
Bombay.							
Desert Canal	26,40,891	...	...	...	26,40,891	26,91,689	50,798
Begari Canal	22,74,941	96,664	26,000	—56,000	23,41,605	24,62,970	1,21,365
Eastern Nara Works	65,84,814	79,655	1,03,000	2,22,000	69,89,469	71,17,745	1,28,276
Jamrao Canal	81,71,804	33,973	1,25,000	2,37,000	85,67,777		
Dad Canal	24,65,738	81,434	28,000	12,000	25,87,172	28,95,932	3,08,760
Mutha Canal	74,03,151	17,089	1,88,000	12,000	76,20,240		
Bengal.							
Midnapur Canal	83,09,132	...	...	...	83,09,132		
Hijili Tidal Canal	25,50,805	...	...	...	25,50,805		
United Provinces.							
Ganges Canal, including Mat and Hathras Branches	3,44,49,289	7,65,373	7,33,000	8,79,000	3,68,26,662		
Lower Ganges Canal	3,88,15,166	9,860	16,000	10,000	3,88,51,026		
Agra Canal	1,12,58,743	1,45,222	59,000	45,000	1,15,07,965	1,15,48,390	40,425
Eastern Jumna Canal	48,32,527	15,416	47,000	24,000	49,18,943		
Dun Canal*	13,37,111	6,181	5,000	2,000	13,50,292		
Bijnor Canal*	3,05,482	6,229	1,000	...	3,12,711		
Gorai Canal	88,051	2,34,703	2,74,000	3,16,000	9,12,754		
Punjab.							
Western Jumna Canal	1,67,96,545	71,175	17,000	40,000	1,69,24,720		
Upper Bari Doab Canal	2,07,12,420	78,187	2,76,000	1,50,000	2,12,16,607		
Lower ditto	1,83,66,324	14,08,507	10,38,000	7,80,000	2,15,92,831	2,16,69,940	77,109
Sirhind Canal	2,41,90,319	90,822	1,07,000	1,70,000	2,45,58,141		
Upper Chenab Canal	3,07,37,707	16,92,338	13,48,000	23,20,000	3,60,98,045	3,61,31,583	33,538
Lower ditto	3,04,43,586	4,96,544	1,04,000	2,00,000	3,12,44,130		
Upper Jhelum Canal	3,59,63,778	37,22,557	21,80,000	10,29,000	4,28,95,335	4,29,40,282	44,947
Lower ditto	1,55,78,008	—15,041	50,000	3,00,000	1,59,12,967	1,83,95,782	24,82,815
Indus Inundation Canals	27,42,803	3,169	1,60,000	—5,000	29,00,972		
Burma.							
Mandalay Canal	55,40,984	50,828	73,000	6,000	56,70,812	56,84,763	13,951
Shwebo Canal	57,08,357	24,110	53,000	—21,000	57,64,467	58,69,829	1,05,362
Mon Canal	52,94,603	98,077	1,05,000	21,000	55,18,680		
Ye-u Canal	20,40,781	5,90,960	5,44,000	7,01,000	38,76,741	48,76,590	9,99,849
Twante Canal	47,99,010	9,48,031	7,84,000	8,93,000	74,24,041		
Bihar.							
Orissa Canals	2,63,69,293	74,504	14,000	29,000	2,64,86,797		
Sone Canal	2,59,22,357	10,735	12,000	5,000	2,59,50,092		
Central Provinces.							
Wainganga Canal	12,12,455	10,10,457	9,93,000	5,37,000	37,52,912		
Mahanadi Canal	20,53,559	15,18,461	18,63,000	13,01,000	67,36,020	96,09,475	28,73,455
Asola Mendha Tank	14,58,225	1,25,808	67,000	62,000	17,13,033	17,30,346	17,313
Other Projects	1,49,87,459	1,17,191	85,000	2,96,000	1,54,85,650		
Reserve	...	...	...	10,00,000	10,00,000		
Total Productive Works	51,96,69,441	1,69,86,494	1,36,06,000	1,35,52,000	56,38,13,935		
Carried over	51,96,69,441	1,69,86,494	1,36,06,000	1,35,52,000	56,38,13,935		

* Transferred to "49" from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

ble III.—Capital Expenditure on Irrigation Major Works in 1914-15, and Estimated Exper diture on such works in 1915-16, and 1916-17, and to the end of 1916-17.

	Actual outlay to end of 1913-1914.	Accounts, 1914-15.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.	Total actual and estimated outlay to end of 1916-17.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent
	R	R	R	R	R	R	R
Brought forward .	51,96,69,441	1,69,86,494	1,36,06,000	1,35,52,000	56,38,13,935		
PROTECTIVE WORKS.							
Madras.							
ikulya Project	46,56,901	13,651	...	...	46,70,552		
ad Project	7,88,419	2,97,258	3,06,000	2,48,000	16,39,677	20,53,877	4,14,20(
katapuram Tank Project . . .	3,10,426	26,347	8,000	7,000	3,51,773		
Bombay.							
weri Canal	86,39,631	4,25,070	2,41,000	1,57,000	94,62,701		
ikapur Tank	17,09,987	76,138	49,000	92,000	19,27,125		
Canal (including Shetphal Tank) .	60,92,239	2,338	1,000	...	60,95,577	64,86,344	3,90,76
hihal Tank	4,90,495	212	...	...	4,90,707	13,98,529	9,07,82
ara River Project	41,47,420	8,09,770	8,14,600	8,22,000	65,93,190	81,36,368	15,43,17
Right Bank Canal	32,74,470	32,68,975	26,23,000	26,57,000	1,18,23,445	2,49,71,868	1,31,48,42
United Provinces.							
a Canal (including Dukwa weir) .	79,20,061	28,326	27,000	22,000	79,97,387	80,10,989	13,60
Canal (including Gangao dam) . .	52,72,624	2,33,373	2,44,000	8,000	58,08,497	58,97,554	89,05
an Canal	45,63,379	60,978	78,000	23,000	47,25,357		
gar Canal	8,57,224	7,23,444	9,79,000	6,90,000	32,49,668	33,22,950	73,28
i Nadi Scheme	3,33,180	52,519	3,000	...	3,88,699	3,88,842	14
gawan Tank	2,21,436	64,592	56,000	58,000	4,00,028		
Bihar.							
ni Canal	70,77,743	1,55,577	64,000	60,000	73,57,320	78,49,318	4,91,99
Central Provinces.							
la Canal	36,03,187	11,36,948	11,69,000	9,67,000	68,76,135	95,73,587	26,97,45
Projects	77,76,327	6,64,580	6,92,000	5,23,000	96,55,907		
Other Projects.	42,09,481	1,39,148	2,63,000	2,00,000	48,11,629		
ble savings	...	...	...	*—3,00,000*	*—3,00,000*		
Total Protective works .	7,19,44,630	82,29,744	76,17,000	62,34,000	9,40,25,374		
Grand Total, Major Works .	59,16,14,071	2,52,16,238	2,12,23,000	1,97,86,000	65,78,39,309		
buted as under—							
Capital expenditure on Irrigation (not charged to revenue) . .	50,17,48,475	1,68,47,695	1,33,80,000	1,35,00,000	54,54,76,170		
Protective Irrigation Works .	7,22,21,039	82,28,508	76,17,000	62,34,000	9,43,00,547		
Other outlay from ordinary revenues	1,76,44,557	1,40,035	2,26,000	52,000	1,80,62,592		
GRAND TOTAL AS ABOVE .	59,16,14,071	2,52,16,238	2,12,23,000	1,97,86,000	65,78,39,309		

Appendix—*continued.*

Commercial and Financial Statistics.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1914-1915, with Revised Estimates for 1915-1916 and Budget Estimates for 1916-1917.

(Omitting 000, except in accounts.)

State Railways.	Accounts.					Revised Estimate, 1915-1916.	Budget Estimate, 1916-17.
	1910-1911.	1911-1912.	1912-1913.	1913-1914.	1914-1915.		
	M.	*M.*	*M.*	*M.*	*M.*	*M.*	*M.*
Open mileage at beginning of year	24,604	24,873	25,200	25,437	26,106	26,369	26,511
Gross Traffic Receipts.	Rs.	Rs.	Rs.	Rs	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal	52,65,372	57,94,913	66,32,724	70,40,639	68,72,053	67,40	68,00
Aden Tramway	...	...	...	...	...	...	...
Bengal-Nagpur	3,09,98,814	3,43,74,985	4,03,42,071	4,10,31,142	4,07,73,773	4,42,00	4,30,00
Bezwada Extension	3,42,614	3,54,266	3,84,244	2,94,355	4,39,590	4,60	4,50
Bombay, Baroda and Central India System	5,46,93,694	6,01,33,008	6,40,21,332	6,58,93,295	6,37,23,843	6,80,00	6,55,00
Burma	1,86,56,276	1,96,08,933	2,07,76,957	2,23,60,428	2,18,00,784	2,02,00	2,01,00
Burma Railway Extensions	13,33,726	14,68,975	17,32,205	21,84,418	16,42,874	17,00	16,00
Southern Shan States	...	...	16,887	33,020	87,016	3,00	3,00
Eastern Bengal	2,87,32,327	3,19,58,673	3,51,18,860	3,73,92,387	3,31,07,555	3,50,00	3,35,00
East Indian	8,79,77,711	9,24,96,744	10,25,72,586	10,17,07,428	10,52,21,592	10,52,00	10,30,00
Great Indian Peninsula including Indian Midland	6,72,19,252	7,46,52,396	7,94,91,613	8,55,08,945	7,77,52,916	9,07,00	8,70,00
Agra-Delhi Chord	17,65,732	20,67,879	28,98,758	23,09,274	32,06,644	27,60	27,50
Bhopal	5,70,168	5,58,428	9,21,470	7,05,991	5,38,468	6,80	6,00
Baran-Kotah	1,03,829	1,58,809	2,28,678	1,77,507	1,49,969	2,20	1,50
Cawnpore-Banda	...	...	...	...	...	3,40	3,00
Jodhpur-Hyderabad (British Section)	9,11,724	12,63,365	13,81,799	13,36,295	10,52,695	12,00	12,00
Lucknow-Bareilly	18,55,706	20,14,664	21,63,009	23,56,789	20,52,756	20,00	19,00
North Western	7,36,47,723	8,23,59,967	8,82,12,116	8,69,96,146	8,19,57,786	8,40,00	8,30,00
Oudh and Rohilkhand	1,90,73,555	2,13,76,309	2,43,64,792	2,40,89,233	2,07,97,699	2,30,00	2,25,00
Hardwar-Dehra	3,94,918	4,54,183	4,45,053	4,85,346	4,66,506	...	...
Madras and Southern Maharatta Railway	3,09,39,822	3,40,03,129	3,63,50,208	3,81,21,165	3,82,75,086	4,13,50	4,09,20
Mysore State lines	28,68,732	31,36,594	36,75,718	38,25,763	36,55,498	37,20	37,70
Dhone-Kurnool	98,234	1,16,729	1,19,518	1,23,739	1,12,693	1,30	1,20
South Indian	2,29,00,546	2,53,82,260	2,75,45,053	2,80,67,080	2,71,60,221	2,93,00	2,90,00
Tinnevelly-Quilon	7,03,544	7,79,707	8,25,023	9,03,891	8,92,082	9,50	9,00
Tirhoot	82,93,536	90,52,105	99,47,877	1,01,20,998	97,03,502	92,00	90,00
Reserve	...	...	...	...	...	...	60,00
Total Imperial	45,93,47,555	50,35,67,021	55,01,68,551	56,30,64,774	54,14,43,601	57,13,50	56,33,60
Provincial.							
Jorhat	95,331	1,16,465	1,22,589	1,23,805	1,27,545	1,40	1,40
Total India	45,94,42,886	50,36,83,486	55,02,91,140	56,31,88,579	54,15,71,146	57,14,90	56,35,00
England.							
Bengal-Nagpur	...	...	...	...	2,910	3	3
East Indian	3,450	3,450	4,313	3,450	3,450	24	95
Eastern Bengal	...	...	...	...	...	2	8
Oudh and Rohilkhand	...	...	...	...	...	2	3
Scinde Punjab and Delhi	...	...	...	...	...	13	61
Total England	3,450	3,450	4,313	3,450	6,360	44	1,70
Grand Total	45,94,46,336	50,36,86,936	55,02,95,453	56,31,92,029	54,15,77,506	57,15,34	56,36,70

Appendix—*continued.*

State Railways.	Accounts.					Revised Estimate, 1915-1916.	Budget Estimate, 1916-1917.
	1910-1911.	1911-1912.	1912-1913.	1913-1914.	1914-1915.		
Working Expenses.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal	44,19,964	45,37,442	46,68,680	47,66,650	51,49,556	52,50	50,50
Aden Tramway	...	...	...	...	...	32	50
Bengal-Nagpur	1,65,12,192	1,69,10,696	1,84,71,946	1,95,72,889	2,01,71,296	2,19,00	2,21,00
Bezwada Extension	1,84,361	2,13,450	1,99,979	1,75,732	2,45,505	2,60	2,50
Bombay, Baroda and Central India System	2,72,54,979	2,99,73,315	3,24,32,956	3,28,58,674	3,28,96,800	3,38,00	3,13,67
Burma Railways	1,18,78,505	1,22,08,310	1,22,12,069	1,17,88,982	1,23,78,879	1,14,76	1,16,56
Burma Railway Extensions	8,57,929	8,80,870	10,16,196	11,67,591	11,31,626	10,00	10,00
Southern Shan States	...	...	5,325	39,066	81,017	3,15	2,50
Eastern Bengal	1,68,15,069	1,85,33,643	2,12,06,460	2,05,40,085	2,20,08,629	2,13,36	2,14,22
East Indian	3,46,89,701	3,78,56,380	3,85,64,371	4,14,09,197	4,07,21,501	4,14,00	4,06,00
Great Indian Peninsula including Indian Midland	3,91,45,780	4,02,02,371	4,52,56,737	5,16,28,941	4,89,41,949	5,22,66	4,67,61
Agra-Delhi Chord	10,13,130	12,04,585	15,69,585	18,88,240	20,04,897	15,79	15,00
Bhopal	3,22,174	3,08,269	5,06,334	4,27,021	3,36,705	3,71	3,20
Baran-Kotah	51,109	79,405	1,12,156	88,754	74,301	1,04	90
Cawnpore-Banda	...	...	...	...	...	1,91	1,80
Jodhpur-Hyderabad (British Section)	5,07,815	5,62,635	6,46,339	6,69,177	6,19,736	7,00	7,00
Lucknow-Bareilly	7,93,862	9,44,794	9,54,123	10,23,699	10,23,291	10,00	10,00
North Western	4,42,72,378	4,68,85,376	4,99,31,758	4,95,69,567	5,14,15,494	5,00,00	5,20,00
Oudh and Rohilkhand	94,10,663	98,21,809	1,10,46,805	1,17,53,245	1,17,36,780	1,13,85	1,20,00
Hardwar-Dehra	1,97,459	2,27,091	2,22,526	2,42,673	2,33,253	...	...
Madras and Southern Mahratta Railway	1,86,69,948	1,90,03,314	1,99,49,016	2,15,21,802	2,15,04,612	2,20,82	2,26,00
Mysore State lines	17,58,808	18,01,729	20,26,874	21,70,848	21,06,654	20,49	20,95
Dhone Kurnool	64,235	92,010	74,690	78,868	71,918	73	77
South Indian	1,21,01,646	1,28,95,102	1,47,42,026	1,62,63,531	1,57,56,344	1,49,69	1,51,76
Tinnevelly-Quilon	3,73,822	4,31,969	4,55,240	5,47,590	6,26,330	5,54	5,50
Tirhoot	34,78,072	32,87,052	38,74,566	38,08,861	39,22,982	37,07	38,00
Reserve	...	...	...	...	...	...	86,18
Total Imperial	24,47,73,601	25,88,61,617	28,01,46,757	29,35,01,683	29,51,60,055	29,77,99	30,12,12
Provincial.							
Jorhat	80,826	84,107	84,546	89,499	1,27,109	1,05	1,08
Grand Total	24,48,54,427	25,89,45,724	28,02,31,303	29,35,91,182	29,52,87,164	29,79,04	30,13,20

Appendix—*continued.*

State Railways.	Accounts. 1910-1911.	1911-1912.	1912-1913.	1913-1914.	1914-1915.	Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
Net Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Imperial.							
Assam-Bengal	8,45,408	12,57,471	19,64,044	22,73,989	17,22,497	14,90	17,50
Aden Tramway	...	...	...	...	...	—32	—50
Bengal-Nagpur	1,44,86,622	1,74,64,289	2,18,70,125	2,14,58,253	2,06,02,477	2,23,00	2,09,00
Bezwada Extension	1,58,253	1,40,816	1,84,265	1,18,623	1,94,085	2,00	2,00
Bombay, Baroda and Central India System	2,74,38,715	3,01,59,693	3,15,88,376	3,30,34,621	3,08,27,043	3,42,00	3,41,33
Burma Railways	67,77,771	74,00,623	85,64,888	1,05,71,446	94,21,905	87,24	84,44
Burma Railway Extensions	4,75,797	5,88,105	7,16,009	10,16,827	5,11,248	7,00	6,00
Southern Shan States	...	...	11,562	—6,046	5,999	—15	50
Eastern Bengal	1,19,17,258	1,34,25,030	1,39,12,400	1,68,52,302	1,10,98,926	1,36,64	1,20,78
East Indian	5,32,88,010	5,46,40,364	6,40,08,215	6,02,98,231	6,45,00,091	6,38,00	6,24,00
Great Indian Peninsula including Indian Midland	2,80,73,472	3,44,50,025	3,42,34,876	3,38,80,004	2,88,10,967	3,84,34	4,02,39
Agra-Delhi Chord	7,52,602	8,63,294	13,29,173	9,21,034	12,01,747	11,81	12,50
Bhopal	2,47,994	2,50,159	4,15,136	2,78,970	2,01,763	3,09	2,80
Baran-Kotah	52,720	79,404	1,16,522	88,753	75,668	1,16	60
Cawnpore-Banda	...	...	...	...	...	1,49	1,20
Jodhpur-Hyderabad (British Section)	4,03,909	7,00,730	7,35,460	6,67,118	4,32,959	5,00	5,00
Lucknow-Bareilly	10,61,844	10,69,870	12,08,886	13,33,090	10,29,465	10,00	9,00
North Western	2,93,75,345	3,54,74,591	3,82,80,358	3,74,26,579	3,05,42,292	3,40,00	3,10,00
Oudh and Rohilkhand	96,62,892	1,15,54,500	1,33,17,987	1,23,35,988	90,60,919	1,16,15	1,05,00
Hardwar-Dehra	1,97,459	2,27,092	2,22,527	2,42,673	2,33,253	...	...
Madras and Southern Mahratta Railway	1,22,69,874	1,49,99,815	1,64,01,192	1,65,99,363	1,67,70,474	1,92,68	1,83,20
Mysore State lines	11,09,924	13,34,865	16,48,844	16,54,915	15,48,844	16,71	16,75
Dhone-Kurnool	33,999	24,719	44,828	44,871	40,775	57	43
South Indian	1,07,98,900	1,24,87,158	1,28,03,027	1,18,03,549	1,14,03,877	1,43,31	1,38,24
Tinnevelly-Quilon	3,29,722	3,47,738	3,69,783	3,55,801	2,65,752	3,96	3,50
Tirhoot	48,15,464	57,65,053	60,73,311	63,12,137	57,80,520	54,93	52,00
Reserve	...	...	...	...	...	...	—26,18
Total Imperial	21,45,73,954	24,47,05,404	27,00,21,794	26,95,63,091	24,62,83,546	27,35,51	26,21,48
Provincial.							
Jorhat	14,505	32,358	38,043	34,306	436	35	32
Total India	21,45,88,459	24,47,37,762	27,00,59,837	26,95,97,397	24,62,83,982	27,35,86	26,21,80
England.							
Bengal-Nagpur	...	...	...	...	2,910	3	3
East Indian	3,450	3,450	4,313	3,450	3,450	24	95
Eastern Bengal	...	...	...	...	...	2	8
Oudh and Rohilkhand	...	...	...	...	...	2	3
Scinde Punjab and Delhi	...	...	...	...	...	13	61
Total England	3,450	3,450	4,313	3,450	6,360	44	1,70
Grand Total	21,45,91,909	24,47,41,212	27,00,64,150	26,96,00,847	24,62,90,342	27,36,30	26,23,50

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1914-15, with Revised Estimates for 1915-16, and Budget Estimates for 1916-17.

	Actuals.					Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
DIRECT RECEIPTS—							
Mandalay canal	2,86,156	2,94,909	3,13,630	3,14,862	3,08,443	3,10,000	3,12,000
Shwebo canal	5,34,592	6,20,521	6,19,968	6,73,000	6,26,524	6,60,000	6,90,000
Midnapore canal	2,07,396	2,15,470	2,20,782	2,10,152	2,23,591	2,10,000	2,10,000
Hijili Tidal canal	55,357	62,657	53,136	36,427	30,371	47,000	47,000
Orissa canals	5,17,673	5,37,234	5,36,467	5,20,053	5,49,374	5,47,000	5,70,000
Sone canal	17,69,789	16,95,488	17,18,503	19,61,859	17,32,222	19,20,000	19,44,000
Ganges canal (including Hathras Branch)	35,28,071	34,48,523	35,55,282	38,86,390	40,16,206	40,17,000	40,93,000
Lower Ganges canal	26,54,428	27,91,733	23,39,516	29,48,277	34,89,197	30,52,000	26,22,000
Ditto Fatehpur Branch							
Agra canal	7,40,050	6,60,252	7,38,129	8,48,157	8,38,004	8,00,000	9,41,000
Eastern Jumna canal	12,64,610	12,30,994	11,93,475	14,87,717	15,25,253	14,00,000	13,76,000
† Dun canal	1,15,654	1,00,842	96,716	1,17,472	1,25,770	1,05,000	1,09,000
† Bijnor canal	31,665	27,888	34,147	37,073	43,294	41,000	31,000
Betwa canal	1,83,900	2,28,513	1,53,476	2,44,791	1,20,145	3,25,000	3,21,000
Western Jumna canal	20,67,901	23,50,104	27,36,295	33,15,029	30,18,745	29,00,000	31,00,000
Upper Bari Doab canal	35,80,939	38,33,926	43,46,274	43,06,606	39,47,124	41,50,000	42,00,000
Sirhind canal	20,23,490	30,60,221	46,01,159	40,52,176	38,95,706	33,00,000	34,00,000
Lower Chenab canal	90,10,924	86,28,091	92,75,472	84,24,935	84,96,689	85,90,000	86,00,000
Lower Jhelum canal	23,14,947	22,77,355	26,33,017	27,59,425	28,03,331	28,00,000	28,00,000
Indus Inundation canals	1,72,463	2,76,057	2,28,192	2,37,866	1,77,191	2,10,000	1,75,000
Lower Swat River canal	5,44,662	5,50,387	6,17,160	6,20,190	6,15,443	6,07,000	6,10,000
Kabul River canal	1,56,353	1,45,008	1,75,901	1,86,660	1,82,373	1,82,000	1,85,000
Godavari Delta system	1,29,856	1,25,557	1,35,736	1,24,184	1,70,251	1,49,000	1,45,000
Kistna „ „	88,473	82,943	92,605	97,152	86,329	90,000	91,000
Cauvery „ „	6,000	4,576	6,441	4,589	4,471	4,000	5,000
Penner River canals	3,274	3,028	3,326	4,734	3,367	4,000	4,000
Periyar project	13,803	8,785	12,234	5,604	7,597	7,000	9,000
Rushikulya project	1,309	1,473	1,456	1,586	3,870	2,000	2,000
Lower Coleroon anicut system	2,187	1,281	2,021	2,435	2,819	1,000	1,000
Shatiatope anicut „	498	701	574	901	660	1,000	1,000
Desert canal	91,208	85,707	96,142	86,359	77,146	68,000	83,000
Begari „	35,717	10,826	10,723	36,288	39,646	40,000	39,000
Eastern Nara works	23,572	26,486	20,608	18,719	18,708	20,000	20,000
Jamrao canal	27,066	29,310	28,919	57,356	22,614	28,000	25,000
Mutha canals	3,96,247	4,33,565	3,59,687	3,91,756	3,89,704	3,60,000	4,00,000
Nira canal	3,20,314	4,36,893	5,04,980	5,42,333	5,88,392	5,08,000	5,08,000
Other projects	14,20,214	14,35,679	16,00,030	29,25,872	32,46,733	37,87,000	47,92,000
TOTAL	3,43,20,758	3,57,22,988	3,91,12,179	4,14,89,485	4,13,77,353	4,12,42,000*	4,24,61,000*
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Mandalay canal	51,637	51,713	53,341	52,604	52,444	53,000	54,000
Shwebo canal	65,758	86,540	1,17,105	1,26,718	1,19,961	1,30,000	1,50,000
Ganges canal	9,35,716	9,43,958	9,52,179	9,62,748	9,85,219	9,84,000	9,84,000
Lower Ganges canal	4,43,493	4,58,555	4,73,573	4,95,868	5,43,619	5,44,000	5,44,000
Ditto Fatehpur Branch							
Eastern Jumna Canal	2,53,952	2,53,952	2,53,952	2,53,952	2,53,952	2,54,000	2,54,000
† Dun canal	24,980	24,980	24,980	24,980	24,980	25,000	25,000
† Bijnor canal	14,984	14,984	14,984	14,984	14,984	15,000	15,000
Carried over	17,90,520	18,34,682	18,90,114	19,31,854	19,95,159	20,05,000	20,26,000

* Excluding Civil Officer's figures as under :—

	Revised.	Budget.
	R	R
United Provinces	1,30,000	1,63,000
Punjab	3,000	...
Total	1,33,000	1,63,000

† Transferred to 49, from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1914-15, with Revised Estimates for 1915-16, and Budget Estimates for 1916-17—*continued.*

	Actuals.					Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
PORTION OF LAND REVENUE DUE TO IRRIGATION—*contd.*							
Brought forward	17,90,520	18,34,682	18,90,114	19,31,854	19,95,159	20,05,000	20,26,000
Western Jumna canal	2,75,586	2,23,412	2,22,604	2,21,397	2,09,125	2,25,000	2,25,000
Upper Bari Doab canal	3,25,187	3,26,150	3,38,432	5,91,597	4,52,948	5,00,000	5,00,000
Sirhind Canal	...	...	9,722	35,437	18,354	1,50,000	20,000
Lower Chenab canal	17,07,676	41,42,468	53,98,437	70,56,188	70,90,846	72,00,000	68,00,000
Lower Jhelum canal	4,93,381	4,87,614	15,37,592	15,47,514	15,62,192	15,45,000	14,50,000
Indus Inundation canals	2,72,619	2,78,279	2,68,036	2,67,940	2,49,221	2,70,000	2,50,000
Lower Swat River canal	50,568	50,601	50,596	50,652	50,683	51,000	51,000
† Kabul River canal	5,649	14,869	10,803	11,875	10,837	11,000	11,000
Godavari Delta System	33,75,550	38,02,481	38,98,412	37,64,330	36,61,044	36,62,000	36,62,000
Kistna „ „	32,92,091	33,31,473	33,84,867	34,90,756	33,63,382	34,34,000	34,39,000
Cauvery „ „	9,40,219	9,97,224	10,13,223	9,74,332	9,28,835	9,35,000	9,35,000
Penner River canals	5,79,763	5,38,177	5,85,754	5,38,303	5,46,350	5,54,000	5,86,000
Periyar project	5,34,393	5,49,381	5,65,553	5,68,296	5,62,302	5,76,000	5,77,000
Rushikulya Project	1,36,833	1,45,868	1,63,915	1,89,488	1,83,155	1,83,000	1,83,000
† Lower Coleroon anicut system	2,78,803	2,79,648	2,84,214	2,71,658	2,81,723	2,81,000	2,83,000
† Shatiatope anicut „	1,01,874	1,03,736	1,02,813	87,694	1,00,816	1,01,000	1,02,000
Desert canal	2,51,332	2,09,297	2,39,402	2,26,053	2,82,096	2,70,000	2,62,000
Begari „	4,57,215	1,53,850	1,86,310	4,78,371	5,21,982	5,67,000	5,59,000
Eastern Nara Works	5,88,428	6,13,899	6,19,328	5,82,075	6,13,984	5,80,000	6,00,000
Jamrao canal	6,42,662	6,68,637	7,76,269	7,39,999	6,14,236	7,10,000	6,20,000
Mutha canal	*+12,088*	*—14,020*	*—9,168*	*—11,646*	*—10,293*	...	...
Nira canal	*—15,768*	*—21,638*	*—25,021*	*—26,702*	*—28,662*	...	...
Other projects	15,97,585	15,55,889	15,61,460	16,78,153	17,57,647	22,00,000	22,64,000
TOTAL	1,76,70,078	2,02,71,977	2,30,73,667	2,52,65,614	2,50,17,962	2,60,10,000	2,54,05,000
TOTAL REVENUE—							
Mandalay canal	3,37,793	3,46,622	3,66,971	3,67,466	3,60,887	3,63,000	3,66,000
Shwebo canal	6,00,350	7,07,061	7,37,073	7,99,718	7,46,485	7,90,000	8,40,000
Midnapur canal	2,07,396	2,15,470	2,20,782	2,10,152	2,23,591	2,10,000	2,10,000
Hijili Tidal canal	55,357	62,657	53,136	36,427	30,371	47,000	47,000
Orissa canals	5,17,673	5,37,234	5,36,467	5,20,053	5,49,374	5,47,000	5,70,000
Sone canals	17,69,789	16,95,488	17,18,503	19,61,859	17,32,222	19,20,000	19,44,000
Ganges canal (including Hathras Branch)	44,63,787	43,92,481	45,07,461	48,49,138	50,01,425	50,01,000	50,77,000
Lower Ganges canal Ditto Fatehpur Branch	30,97,921	32,50,288	28,13,089	34,44,145	39,82,816	35,95,000	31,66,000
Agra canal	7,40,050	6,60,252	7,38,129	8,48,157	8,38,004	8,90,000	9,41,000
Eastern Jumna canal	15,18,562	14,84,946	14,47,427	17,41,669	17,79,205	16,54,000	16,30,000
† Dun canal	1,40,634	1,25,822	1,21,696	1,42,452	1,50,750	1,30,000	1,34,000
† Bijnor canal	46,649	42,872	49,131	52,057	58,278	56,000	46,000
Betwa canal	1,83,900	2,28,513	1,53,476	2,44,791	1,20,145	3,25,000	3,21,000
Western Jumna canal	23,43,487	25,73,516	29,58,899	35,36,426	32,27,870	31,25,000	33,25,000
Upper Bari Doab canal	39,06,126	41,60,076	46,84,706	48,98,203	44,00,072	46,50,000	47,00,000
Sirhind canal	20,23,490	30,60,221	46,10,881	40,87,613	39,14,060	34,50,000	34,20,000
Lower Chenab canal	1,07,18,600	1,27,70,559	1,46,73,909	1,54,81,123	1,55,87,535	1,57,90,000	1,54,00,000
Lower Jhelum canal	28,08,328	27,64,969	42,20,609	43,06,939	43,65,573	43,45,000	42,50,000
Indus Inundation canals	4,45,082	5,54,336	4,96,228	5,05,806	4,26,412	4,80,000	4,25,000
Lower Swat River canal	5,95,230	6,00,988	6,67,756	6,70,842	6,66,126	6,58,000	6,61,000
† Kabul river canal	1,62,002	1,59,877	1,86,704	1,98,535	1,93,210	1,93,000	1,96,000
Godavari Delta System	35,05,406	39,28,038	40,34,148	38,88,514	38,31,295	38,11,000	38,07,000
Kistna „ „	33,80,564	34,14,421	34,77,472	35,87,908	34,49,711	35,24,000	35,30,000
Carried over	4,35,68,176	4,77,36,707	5,34,74,653	5,63,79,993	5,56,35,417	5,54,65,000	5,50,06,000

† Transferred to 49, from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1914-15, with Revised Estimates for 1915-16, and Budget Estimates for 1916-17—*continued.*

	Actuals.					Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TOTAL REVENUE—*concld.*							
Brought forward	4,35,68,176	4,77,36,707	5,34,74,653	5,63,79,993	5,56,35,417	5,54,65,000	5,50,06,000
Cauvery Delta System	9,46,219	10,01,800	10,19,664	9,78,921	9,33,306	9,39,000	9,40,000
Penner River canals	5,83,037	5,41,205	5,89,080	5,43,037	5,49,717	5,58,000	5,90,000
Periyar Project	5,48,196	5,58,166	5,77,787	5,73,900	5,69,899	5,83,000	5,86,000
Rushikulya Project	1,38,142	1,47,341	1,65,371	1,91,074	1,87,025	1,85,000	1,85,000
†Lower Coleroon anicut system	2,80,990	2,80,929	2,86,235	2,74,093	2,84,542	2,82,000	2,84,000
†Shatiatope anicut system	1,02,372	1,04,437	1,03,387	88,595	1,01,476	1,02,000	1,03,000
Desert canal	3,42,540	2,95,004	3,35,544	3,12,412	3,59,242	3,38,000	3,45,000
Begari „	4,92,932	1,64,676	1,97,033	5,14,659	5,61,628	6,07,000	5,98,000
Eastern Nara works	6,12,000	6,40,385	6,39,936	6,00,794	6,32,692	6,00,000	6,20,000
Jamrao canal	6,69,728	6,97,947	8,05,188	7,97,855	6,36,850	7,38,000	6,45,000
Mutha canal	3,84,159	4,19,545	3,50,519	3,80,110	3,79,411	3,60,000	4,00,000
Nira canal	3,04,546	4,15,255	4,79,959	5,15,631	5,59,730	5,08,000	5,03,000
Other Projects	30,17,799	29,91,568	31,61,490	46,04,025	50,04,380	59,87,000	70,56,000
TOTAL	5,19,90,836	5,59,94,965	6,21,85,846	6,67,55,099	6,63,95,815	6,72,52,000	6,78,66,000
WORKING EXPENSES—							
Mandalay canal	94,787	81,603	89,540	61,411	4,49,555	1,52,000	1,39,000
Shwebo canal	1,66,463	2,10,659	2,31,703	2,70,051	2,77,472	2,16,000	2,78,000
Midnapore canal	1,90,318	2,43,964	2,06,943	1,78,785	1,32,836	1,40,000	1,65,000
Hijili Tidal canal	74,508	33,122	28,774	1,19,004	1,24,864	60,000	25,000
Orissa canal	4,47,819	4,06,871	4,45,382	5,05,785	5,65,147	4,75,000	5,03,000
Sone canal	7,15,221	6,58,557	7,55,611	7,28,937	6,80,929	7,95,000	7,09,000
Ganges canal	11,86,609	12,22,142	11,10,327	11,91,519	12,14,984	11,90,000	11,07,000
Lower Ganges canal	11,18,824	10,39,189	10,14,594	10,17,056	10,32,134	9,98,000	9,73,000
„ Fatehpur Branch							
Agra canal	3,34,822	3,36,986	3,24,778	3,16,625	3,14,546	3,02,000	2,82,000
Eastern Jumna canal	4,38,285	4,05,534	3,62,687	3,59,446	3,71,395	3,72,000	3,46,000
†Dun canal	1,06,572	80,845	56,500	49,628	56,821	50,000	57,000
†Bijnor canal	21,303	26,698	28,065	25,788	27,185	23,000	29,000
Betwa canal	1,31,059	1,56,583	1,83,789	2,38,008	2,17,639	2,31,000	1,93,000
Western Jumna canal	10,43,129	11,49,041	10,87,704	12,94,029	13,07,508	13,00,000	13,50,000
Upper Bari Doab canal	13,26,549	16,32,005	17,11,363	14,46,549	13,72,589	13,35,000	14,00,000
Sirhind canal	8,45,564	9,29,748	9,92,932	11,39,195	11,21,809	11,70,000	12,50,000
Lower Chenab canal	22,67,303	23,70,127	24,24,855	21,96,088	21,94,802	29,08,000	26,00,000
Lower Jhelum canal	8,29,014	9,94,308	9,51,611	9,19,689	8,23,556	8,07,000	10,00,000
Indus Inundation canals	6,76,704	4,04,818	3,92,807	3,64,270	3,98,155	4,25,000	3,70,000
Lower Swat River canal	1,43,055	1,70,436	1,61,162	1,57,093	1,42,420	2,10,000	1,48,000
†Kabul River canal	97,600	1,07,147	96,918	1,04,830	85,982	1,55,000	1,39,000
Godavari Delta system	7,80,126	7,73,247	7,13,415	8,11,801	7,99,842	7,31,000	7,51,000
Kistna „ „	7,10,514	6,28,138	6,01,835	7,08,696	8,06,121	7,05,000	6,72,000
Cauvery „ „	1,87,852	1,20,350	1,24,157	1,36,941	1,76,385	1,51,000	1,48,000
Penner River canals	75,370	52,498	66,142	76,261	64,794	70,000	68,000
Periyar Project	1,14,356	1,30,707	1,33,174	1,60,813	1,14,584	1,23,000	1,17,000
Rushikulaya Project	36,767	44,334	34,309	65,471	58,261	53,000	65,000
†Lower Coleroon anicut system	92,123	88,904	56,476	59,062	1,41,209	60,000	64,000
†Shatiatope anicut system	25,551	30,594	20,541	32,915	52,811	27,000	32,000
Desert canal	1,37,454	1,39,730	1,42,071	1,34,374	1,15,901	1,14,000	1,32,000
Carried over	1,44,15,621	1,46,68,885	1,45,50 66	1,48,65,120	1,52,42,236	1,53,48,000	1,51,12,000

† Transferred to 49, from 1st April 1907.

Appendix—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1914-15, with Revised Estimates for 1915-16, and Budget Estimates for 1916-17—*continued.*

	Actuals.					Revised Estimate, 1915-16.	Budget Estimate, 1916-17.
	1910-11.	1911-12.	1912-13.	1913-14.	1914-15.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Brought forward	1,44,15,621	1,46,68,885	1,45,50,665	1,48,65,120	1,52,42,236	1,53,48,000	1,51,12,000
WORKING EXPENSES—*concld.*							
Begari canal	1,80,608	1,30,759	2,90,714	2,62,116	1,32,987	1,50,000	1,40,000
Eastern Nara Works	1,94,170	2,49,693	1,79,047	1,82,979	1,61,408	1,88,000	1,50,000
Jamrao canal	2,81,773	2,94,425	3,08,263	3,11,848	3,05,604	3,26,000	3,15,000
Mutha canals	99,945	96,886	1,08,291	1,08,799	1,13,809	1,67,000	1,26,000
Nira canal	74,003	77,769	91,881	87,668	1,29,992	1,25,000	1,52,000
Other projects	13,98,199	16,58,126	19,97,745	23,98,115	32,54,861	42,57,000	45,02,000
TOTAL	1,66,44,319	1,71,76,543	1,75,26,606	1,82,16,645	1,93,40,897	2,05,61,000*	2,04,97,000*
NET REVENUE—							
Mandalay canal	2,48,006	2,65,019	2,77,431	3,06,055	—88,668	2,11,000	2,27,000
Shwebo canal	4,33,887	4,96,402	5,05,370	5,29,667	4,69,013	5,74,000	5,62,000
Midnapur canal	17,078	*—28,494*	13,839	31,367	90,755	70,000	45,000
Hijili Tidal canal	*—19,151*	29,535	24,362	*—82,577*	*—94,493*	*—13,000*	22,000
Orissa canals	69,354	1,30,363	91,085	14,268	—15,773	72,000	67,000
Sone canals	10,54,568	10,36,931	9,62,892	12,32,922	10,51,293	11,25,000	12,35,000
Ganges canal (including Hathras Branch.)	32,77,178	31,70,339	33,96,634	36,57,619	37,86,441	38,11,000	39,70,000
Lower Ganges canal	19,79,097	22,11,099	17,98,495	24,27,089	29,50,682	25,98,000	21,93,000
„ Fatehpur Branch							
Agra canal	4,05,228	3,23,266	4,13,351	5,31,532	5,23,458	4,98,000	6,59,000
Eastern Jumna canal	10,80,277	10,79,412	10,84,740	13,82,223	14,07,810	12,82,000	12,84,000
Dun canal	34,062	44,977	65,196	92,824	93,929	80,000	77,000
Bijnor canal	25,346	16,174	21,066	26,269	31,093	33,000	17,000
Betwa canal	52,841	71,930	*—30,313*	11,783	—97,494	94,000	1,28,000
Western Jumna canal	13,00,358	14,24,475	18,71,195	22,42,397	19,20,362	18,25,000	19,75,000
Upper Bari Doab canal	25,79,577	25,28,071	29,73,343	34,51,654	30,27,483	33,15,000	33,00,000
Sirhind canal	11,77,926	21,30,473	36,17,949	29,48,418	27,92,251	22,80,000	21,70,000
Lower Chenab canal	84,51,297	1,04,00,432	1,22,49,054	1,32,85,035	1,33,92,733	1,28,82,000	1,28,00,000
Lower Jhelum canal	19,79,314	17,70,661	32,68,998	33,87,250	35,42,017	35,38,000	32,50,000
Indus Inundation canals	*—2,31,622*	1,49,518	1,03,421	1,41,536	28,257	55,000	55,000
Lower Swat River canal	4,52,175	4,30,552	5,06,594	5,13,749	5,23,706	4,48,000	5,13,000
Kabul River canal	64,402	52,730	89,786	93,705	1,07,228	38,000	57,000
Godavari Delta system	27,25,280	31,54,791	33,20,733	30,76,713	30,31,453	30,80,000	30,56,000
Kistna „ „	26,70,050	27,86,283	28,75,637	28,79,212	26,43,590	28,19,000	28,58,000
Cauvery „ „	7,58,367	8,81,450	8,95,507	8,41,980	7,56,921	7,88,000	7,92,000
Penner River canals system	5,07,667	4,88,707	5,22,938	4,66,776	4,84,923	4,88,000	5,22,000
Periyar Project	4,33,840	4,27,459	4,44,613	4,13,087	4,55,315	4,60,000	4,69,000
Rushikulya project	1,01,375	1,03,007	1,31,062	1,25,603	1,28,764	1,32,000	1,20,000
Lower Coleroon anicut system	1,88,867	1,92,025	2,29,759	2,15,031	1,43,333	2,22,000	2,20,000
Shatiatope anicut „	76,321	73,843	82,846	55,680	48,665	75,000	71,000
Desert canal	2,05,686	1,55,274	1,93,473	1,78,038	2,43,341	2,24,000	2,13,000
Begari „	3,12,324	33,917	*—93,681*	2,52,543	4,28,641	4,57,000	4,58,000
Eastern Nara Works	4,17,830	3,90,692	4,60,889	4,17,815	4,71,284	4,12,000	4,70,000
Jamrao canal	3,87,955	4,03,522	4,96,925	4,86,007	3,31,246	4,12,000	3,30,000
Mutha canals	2,84,214	3,22,659	2,42,228	2,71,311	2,65,602	1,93,000	2,74,000
Nira canal	2,30,543	3,37,486	3,88,078	4,27,963	4,29,738	3,83,000	3,56,000
Other projects	16,19,600	13,33,442	11,63,745	22,05,910	17,49,519	17,30,000	25,54,000
TOTAL	3,53,46,517	3,88,18,422	4,46,59,240	4,85,38,454	4,70,54,418	4,66,91,000	4,73,69,000

*Excluding Civil Officers' figure as under :—

	Revised.	Budget.
	Rs.	Rs.
United Provinces	17,000	15,000
Punjab	1,000	...
	18,000	15,000

Appendix—*continued.*

Table VI—Capital Account of Subsidized Railways.

Actuals, 1914-1915.

RAILWAYS.	Amount in sterling.	Equivalent at Rs. 15=£1.
	£	Rs.
Subsidized Railways.		
Receipts.		
Capital received in India.		
Sara Serajganj	240,025	36,00,375
Amritsar-Patti-Kasur	10,051	1,50,773
Tapti Valley	2,280	34,200
Hardwar-Dehra	131	1,960
Sialkot-Narowal	25,400	3,81,000
Murtajapur-Ellichpur	5,667	85,000
Murtajapur-Yeotmal	60,067	9,01,000
Dhond-Baramati	5,000	75,000
Mandra-Bhaun	55,800	8,37,000
Pulgaon-Arvi	5,733	86,000
Total Receipts	410,154	61,52,308
Withdrawals in India.		
Assam-Bengal	*—212,900*	*—31,93,509*
Bengal-Nagpur	*—287,527*	*—43,12,900*
Burma	34,535	5,18,023
Lucknow-Bareilly	5,619	84,289
Madras and Southern Mahratta	*—129,841*	*—19,47,619*
	—590,114	*—88,51,716*
Sara Serajganj	238,887	35,83,306
Amritsar-Patti-Kasur	11,718	1,75,777
Tapti Valley	2,068	31,023
Sialkot-Narowal	23,881	3,58,209
Ahmedabad-Parantij	633	9,493
Hardwar-Dehra	266	3,984
Mymensingh-Jagannathganj	1,302	19,528
Murtajapur-Ellichpur	5,045	75,678
Murtajapur-Yeotmal	58,491	8,77,359
Dhond-Baramati	5,063	75,946
Mandra-Bhaun	67,628	10,14,429
Pulgaon-Arvi	4,093	61,399
	419,075	62,86,131
Total Withdrawals	*—171,039*	*—25,65,585*
Net Withdrawals	*—581,193*	*—87,17,893*

Appendix—*continued.*

Table VI—Capital Account of Subsidized Railways—*continued.*

Revised Estimate, 1915-1916.

Railways.	Amount in sterling. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 000.)
Subsidized Railways.	£	Rs.
Receipts.		
Capital received in India.		
Ahmadpur Katwa	63,6	9,54
Amritsar-Patti-Kasur	20,9	3,13
Bankura Damoodar	167,1	25,06
Baripada Talbond	8,0	1,20
Burdwan Katwa	63,9	9,58
Bombay, Baroda and Central India Railway—Branch Lines	1,9	28
Chaparmukh Silghat	46,7	7,00
Dhond-Baramati	...	...
Futwah Islampur	33,7	5,06
Hardwar-Dehra	7	10
Kalighat Falta	61,1	9,17
Murtajapur-Ellichpur	6,2	93
Murtajapur-Yeotmal	22,9	3,44
Mymensingh Bhairab Bazar	60,0	9,00
Mymensingh-Jagannathganj	...	...
Mandra-Bhaun	65,1	9,76
Pachora Jamner	10,6	1,60
Pulgaon-Arvi	39,8	5,98
Sara-Serajganj	118,4	17,76
Sialkot-Narowal	78,7	11,80
Total Receipts	869,3	1,30,39
Withdrawals in India.		
Assam-Bengal	*—47,1*	*—7,06*
Bengal-Nagpur	*—295,1*	*—44,27*
Burma	*—27,8*	*—4,18*
Lucknow-Bareilly	*—23,7*	*—3,55*
Madras and Southern Mahratta	*—205,0*	*—30,75*
	—598,7	*—89,81*
Ahmadpur Katwa	56,0	8,40
Amritsar-Patti-Kasur	17,4	2,62
Bankura Damoodar	127,8	19,17
Baripada Talbond	8,0	1,20
Burdwan Katwa	89,8	13,47
Bombay, Baroda and Central India Railway—Branch Lines	2,8	42
Chaparmukh Silghat	21,7	3,25
Dhond-Baramati	—8	—12
Futwah Islampur	24,9	3,73
Hardwar-Dehra	5	7
Kalighat Falta	44,6	6,69
Murtajapur-Ellichpur	6,4	96
Murtajapur-Yeotmal	23,1	3,47
Mymensingh Bhairab Bazar	60,0	9,00
Mymensingh-Jagannathganj	1,0	15
Mandra-Bhaun	51,7	7,75
Pachora Jamner	10,6	1,60
Pulgaon-Arvi	41,5	6,23
Sara-Serajganj	120,0	18,00
Sialkot-Narowal	80,2	12,03
	787,2	1,18,09
Total Withdrawals	188,5	28,28
Net Withdrawals	*—680,8*	*—1,02,11*

Appendix—*concluded.*

Table VI—Capital Account of Subsidized Railways—*concluded.*

Budget Estimate, 1916-17.

Railways.	Amount in sterling. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 000.)
Subsidized Railways.	£	Rs.
Receipts.		
Capital received in India.		
Ahmadpur Katwa	51,4	7,71
Amritsar-Patti-Kasur	3	5
Bankura Damoodar	19,0	2,85
Baripada Talbond	72,0	10,80
Burdwan Katwa	9,0	1,35
Bombay, Baroda and Central India Railway—		
Branch Lines	2,6	38
Chaparmukh Silghat	73,3	11,00
Futwa Islampur	53,3	8,00
Hardwar-Dehra	1	1
Kalighat Falta	48,9	7,33
Murtajapur-Ellichpur	6	9
Murtajapur-Yeotmal	3	4
Mymensigh Bhairab Bazar	133,3	20,00
Mymensingh-Jamalpur-Jagannathganj	2,7	40
Mandra-Bhaun	20,5	3,08
Pachora Jamner	69,3	10,39
Pulgaon-Arvi	10,7	1,61
Sara-Serajganj	84,9	12,74
Sialkot-Narowal	19,7	2,95
Total Receipts	671,9	1,00,78
Withdrawals in India.		
Assam-Bengal	*—57,5*	*—8,63*
Bengal-Nagpur	*—131,2*	*—19,68*
Burma	28,5	4,28
Lucknow-Bareilly	*—7,8*	*—1,18*
Madras and Southern Mahratta	*—44,1*	*—6,61*
	—212,1	*—31,82*
Ahmadpur Katwa	50,0	7,50
Amritsar-Patti Kasur	3	5
Bankura Damoodar	65,6	9,85
Baripada Talbond	72,0	10,80
Burdwan Katwa	8,8	1,32
Bombay, Baroda and Central India Railway—		
Branch Lines	2,5	38
Chaparmukh Silghat	105,0	15,75
Futwa Islampur	46,7	7,00
Hardwar-Dehra	1	1
Kalighat Falta	60,0	9,00
Murtajapur-Ellichpur	6	9
Murtajapur-Yeotmal	3	4
Mymensingh Bhairab Bazar	133,3	20,00
Mymensingh-Jagannathganj	2,7	40
Mandra-Bhaun	20,5	3,08
Pachora Jamner	69,3	10,39
Pulgaon Arvi	10,7	1,61
Sara-Serajganj	84,9	12,74
Sialkot Narowal	19,7	2,95
	753,0	1,12,96
Total Withdrawals	540,9	81,14
Net Withdrawals	—131,0	—19,64

PROCEEDINGS OF THE INDIAN LEGISLATIVE COUNCIL ASSEMBLED UNDER THE PROVISIONS OF THE GOVERNMENT OF INDIA ACT, 1915 (5 & 6 Geo. V, Ch. 61).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on Friday, the 24th March, 1916.

PRESENT:

His Excellency BARON HARDINGE OF PENSHURST, K.G., P.C., G.C.B., G.C.M.G., G.C.V.O., G.M.S.I., G.M.I.E., I.S.O., Viceroy and Governor General, *presiding*, and 61 Members, of whom 53 were Additional Members.

BUDGET, 1916-17.

The Hon'ble Maung Bah Too:—"My Lord, it is with the greatest pleasure that I seek this opportunity of thanking our Finance Member for the great ability shown by him in the administration of the finances of India, inasmuch as he has been able to allot to each province of India (including Burma, from where I hail) its reasonable share in spite of the deplorable state of affairs caused by the war. Every province, I venture to submit, has suffered in consequence of the war, and such sufferings have been productive of needs and requirements—the needs and requirements of my province are greater, owing to its being comparatively a young province. In spite of the great needs of money being apparent to my province, yet at the present crisis I dare not venture, under any circumstances, to appeal to you, my Lord, to see to the financial requirements of my province. Although my province has not sought for financial assistance, as we could not seek at present owing to the war, yet your Excellency's gracious message which was read the other day at the meeting of our Burma Legislative Council, fills us with hope that, when the finances of India are once more in a favourable condition, our claims for the additional funds needed for the development of the province will receive sympathetic treatment. Meanwhile, we are grateful for the revision of the Burma Provincial Settlement which has been referred to by the Hon'ble Finance Member in his Financial Statement which has removed the inequity under which Burma was suffering in regard to her income under the Provincial Settlement, as compared with other provinces.

"My Lord, on behalf of the people of Burma and the Burmese, permit us to thank you from the bottom of our hearts for having bestowed upon my province a ruler—a Lieutenant-Governor—who, besides being a very efficient and a sympathetic ruler, has, within a very short space of time, become immensely popular with the people under him, who with the greatest of zeal and energy, has taken the greatest personal interest in all matters for the welfare of Burma and its people, who at the very commencement of his administration has become thoroughly acquainted with the manners and customs of the people of Burma in their various walks of life, who has already studied the peoples of Burma and its requirements, who has conferred upon the Burmese people 'a blessing' by

raising a Burman to the judgeship of the highest judicial tribunal of the province (by bestowing upon the Burmese an honour of their having the first Burman judge on the Bench of the Chief Court of my province)—a selection made by our Lieutenant-Governor which I may be permitted to describe as 'the most exquisite selection from the flower of the Burmese Bar'—by the Burmese Bar, I mean from amongst the Burman legal luminaries—a Lieutenant-Governor, who is always in earnest to improve the province of Burma and the Burmese in all its possible details—a Lieutenant-Governor, who I and my Burmese people pray would be our ruler for at least a full term. We earnestly hope that he will always be with us as our benefactor, well-wisher, and a sympathetic ruler as he has already proved himself to be, and that he will not be taken away from Burma at any earlier period of time than his full term. We shall be sorry to lose such a beneficent ruler even if he were to be promoted to a higher sphere of official life. Permit me, my Lord, to thank you again on behalf of the people of Burma for having bestowed upon them a very zealous, energetic, efficient, and a sympathetic ruler in the person of Sir Harcourt Butler as the Lieutenant-Governor of Burma.

"My Lord, some five years back I had the honour of addressing this Council in connection with the paucity of Burmans in the Imperial Branch of the Telegraphs and Posts, and solicited that Burmans may be given a trial. I am glad to be able to announce to-day that my request has been granted, as I find to-day that there are a number of young educated Burmans holding the appointments of Superintendent of Post Offices, and there are a number of young Burman graduates working up their way in this service from the bottom of the ladder. I may say from personal knowledge that this service has become rather popular of late with the Burmese people, and I will not be wrong if I were to say that this Department in the near future will be crowded with educated and intelligent Burmans. The thanks of my province are due to the Director-General of Posts and Telegraphs, India, for having admitted young Burmans to this service, and to the Postmasters-General of Burma for the greatest interest they have taken in persuading, collecting and nominating young Burmans to the higher posts in this service.

"In conclusion, I desire, on behalf of the people of Burma, to express our heart-felt disappointment that it has been impossible for your Excellency to visit Burma and to give us an opportunity of welcoming you there. We are very grateful to your Excellency for your interest in the province and for the gracious and encouraging message which you have sent to our Burma Legislative Council. We hope that your Excellency's successor will find it possible to pay an early visit to Burma, and I would ask your Excellency to assure him, on behalf of the Burmese people, that, when he does come, he will receive a very hearty welcome."

The Hon'ble Maharaja Sir Manindra Chandra Nandi of Kasimbazar :—"My Lord, I shall be very brief in my remarks on the Financial Statement which the Council will be called upon to adopt to-day. The outstanding feature of the statement is the imposition of additional taxation made necessary by the terrible war which has been going on for a year and eight months, and of which the end is not yet in sight. Last year, the Government did not announce any increase of taxation, but we all felt that India could not long be exempt from sharing the burden which the war imposes on the Empire. At the same time, my Lord, I hope due note will be taken of the fact that India did not wait to be called to its duty by any Act of the Legislature or any other measure of the Government. Directly after the outbreak of the war, eager and spontaneous offers of help in every direction were made from every part of India, and the princes and the people vied with one another in placing all their resources at the disposal of the Government. Your Excellency took the initiative—an initiative for which India will never cease to be grateful—in offering Indian troops for active service in Europe and elsewhere, and the Government of India have throughout borne the charges of the Indian Army in the field. Several of the princes and noblemen of

India have been serving their King and country in the field, while contributions of money have come in from all quarters. In view of these admitted facts, I may be permitted to express the hope that the increase in taxation is only temporary, and will be done away with after the war.

"My Lord, the announcement made by your Excellency the other day in this Council that the Government have decided to prohibit the system of indentured labour has been received with sincere gratitude throughout the country. Indian public opinion, as your Excellency pointed out, has long taken exception to this form of labour, and it is due to your Excellency's endeavours that it will be abolished in the near future. I may be also permitted to refer to the Commission that has been appointed to inquire into, and report upon, the possibilities of the development of Indian industries, and for which the grateful thanks of the country are due to your Excellency.

"My Lord, my heart is heavy at the thought that this is the last meeting of the Council over which your Excellency will preside, and in a few days you will leave the shores of India. May I take this opportunity of thanking your Excellency for the unfailing courtesy we have always received at your hands in this Council and out of it. I will not attempt a review of your Excellency's administration, or of the measures that have endeared your name to the people of India, but I shall conclude with the hope that your Excellency will have a safe voyage home, and that you will continue to take an interest in the affairs of India and her people."

The Hon'ble Raja Sir Muhammad Ali Muhammad Khan of Mahmudabad:—"My Lord, in congratulating my friend the Hon'ble the Finance Member for his masterly presentation of the Budget for 1916-17, I assure him that the measures which he has found it necessary to propose, will, under the exceptional circumstances governing our lives and activities at the present juncture, receive full acquiescence in this Council and the country, though it would be the barest statement of fact to say that but for these special circumstances—the circumstances, that is, of the war and the resultant economic and political conditions—the country would have very audibly groaned under the heavy burden which it has been asked to bear. The struggle in which the Empire, and therefore India, a component part of it, is engaged, is infinitely greater than our *Mahabharat*. The stupendous task requires stupendous exertions and sacrifices; and, my Lord, you have been the first to recognise that the people of India were not the people to brook the reproach that they were shirkers. Voluntarily and eagerly the prince and peasant of India have rallied round the British flag; the peasant, when he knew that the Padishah wanted his services, came forward to go wherever he might be required and fight as all the world now knows how he can fight: the prince came forward with an equal spontaneity and laid at the feet of his liege Lord, his personal services and the means at his disposal—contributions in men and money. We have very recently been told that India's contribution has so far been 6 millions; but the war demands further sacrifices, and for these, the people of India are fully and cheerfully prepared.

"But, though the huge sum that my friend the Hon'ble Finance Member's Budget finds it necessary to provide for the needs of this Dependency and the Empire at the present juncture may not have been calculated in a pessimistic frame of mind, so far as expenditure is concerned, surely a good deal of sanguine estimating has been at work, on the revenue side of the accounts. What I mean to say is, that the immediate demands on the Indian tax-payers, in my humble opinion, are considerably more than they need have been. The successful floatation by the Government of India of the War Loan of the last year warrants the belief that a very large portion of the amount required by the Hon'ble Finance Member for the adjustment of his Budget could be, and should have been, raised by the same expedient, namely, by another loan by Government. In the last resort, even this would have pressed on the Indian tax-payer, but this pressure would not be so immediate nor so insistent, and therefore less irksome than the method of wholesale

additional and immediate taxation. Increased taxation could not perhaps be altogether avoided under the circumstances which are at present operative; it is only the extent to which this weapon of raising revenue should have been used which is open to discussion or determination.

"One thing, my Lord, I will commend with all earnestness to your acceptance and that of the Council; and that is, that the increased taxation or at least a portion of it to which the country is being subjected, should have as short a lease of life as possible, and that this should now be explicitly stated. My Lord, as I have said, but for this war, to the successful prosecution of which every one of us is prepared to make any sacrifice that may be demanded, the country would have very audibly groaned under the proposed heavy burden; the burden is not less heavy because, in full appreciation of the needs of the Empire, the country is willing to shoulder it; it will, however, make the bearing of it more tolerable if the tax-payer knew that it would be taken off at the end of a period, not unduly prolonged. On this point, unfortunately, the statement of my friend the Hon'ble Finance Member is silent; I would therefore propose that it should be announced by your Excellency that the large increase in taxation which the Government of India have found it necessary to impose as an exceptional measure will be temporary in duration, and that it will have effect only for such brief period after the conclusion of the war as is absolutely necessary. Such an announcement will greatly assuage the concern of the people of this country, and it will be fitting that it should come from the lips of one from whom the millions of India have always expected, and invariably received messages of good-will, sympathy and help.

"My Lord, the question which the Hon'ble Finance Minister has anticipated in connection with the retention of that anomaly of anomalies, the Cotton Excise duties, without any enhancement of the import duties is still, I submit, exercising the minds of many of us, my Hon'ble friend's assurances notwithstanding. The anxiety of His Majesty's Government not to raise this question at the present time is not comprehensible, for this question has left that stage far behind when it could be described as contentious or controversial. And, surely, if Lancashire or Manchester cannot even now lift themselves out of the narrow groove of parochial interests, the evil forebodings of the pessimistic with regard to the futility of the hope of ultimate settlement of larger issues in a liberal spirit in favour of India will present themselves with greater force. The blood of the Indian Sepoy in the cause of the Empire has, one would hope, now flowed freely enough to have washed away such iniquities, as the question of the countervailing cotton duties, even if for the solution of the larger and more comprehensive issues, one had to wait 'till after the war.'

"My Lord, one expected that the Budget would reveal a real effort at saving, conserving and husbanding of the present revenue, before imposing further burdens on the tax-payer. Has that been sufficiently done? When British Ministers are impressing the need of national and individual economy in view of the demands of the war, and reduction in the salaries of public servants are the order of the day, certain branches of the public service in India are receiving compensation allowance for the block in their promotion owing to the war.

"My Lord, this does not seem right. At a time such as this, it is imperative that the most rigid economy should prevail in the public services. To effect this, all expenditure should be scrutinized and restricted as closely as possible, and an extended employment of Indians insisted on. I would go even further than this. Although I should never grudge a single pie spent on Education, yet if the choice lay between a considerable increase in taxation and the temporary curtailment of the grant to Education, I would, though with a heavy heart, vote for the latter. If the worst came to the worst, before taxing the people, I would take away from the Civilian and the Schoolmaster, so that the soldier may fight the better.

"The concern that the last Budget, to be presented under your Excellencey's auspices, should be marked by the necessity of a large increase in taxation, is shared by all of us; but, my Lord, the beneficence and the real sympathy, which have been the transparent characteristic of every public action of your Excellency, have so captured the heart of India that these blemishes on the serene surface of your administration only remind us that they are not your creations, but of circumstances which an inscrutable Destiny has brought into being.

"I cannot conclude, my Lord, without a reference to the sad fact that this will be the last occasion when this Council will have the honour of being presided over by you. But the impress of your great personality will always remain on it, and I can assert that this Council will have a loftier sense of its duties and responsibilities by having been guided during six eventful years by you.

"I am, my Lord, one of the few Members who have had the good fortune of having sat on your Legislative Council during the whole period of your office. It has indeed been a period of pleasant, though strenuous, work. You have infused into the Council a spirit of liberal toleration and mutual understanding, and each one of us has personally felt that the head of the Government was not only anxious to know, but to appreciate, and, if possible, to sympathise with, our respective points of view. Outside this Council, the country has felt the same. To very few of your distinguished predecessors, the gift was vouchsafed of such deep understanding of the workings of the Indian heart, that responsive heart of this country of emotions and not of cold calculating reasonings, the tenderest chords of which you have touched. My Lord, whether it was the vindication of the right of the Indian in the self-governing Colonies, or his hope of greater confidence in him in times of crises, or his appeal to you where his religious principles or usages were, as he fancied, being interfered with, you have championed his cause in a spirit of true statesmanship. In a word, you have placed yourself at the head of Indian aspiration and not lagged behind.

"And in leaving India, at this time of supreme crisis in the affairs of the world, contented and more attached to the British connection than when you found it, you have effected a consummation of which only one man in this vast Empire was capable. That man was Baron Hardinge of Penshurst."

The Hon'ble Sir Gangadhar Chitnavis:—"My Lord, the Budget, as has been very rightly remarked by my friends the Hon'ble Maharaja of Kasimbazar and the Hon'ble Raja of Mahmudabad, has been well received in the country. The people have cheerfully responded to the call for sacrifices in view of the war; both the extraordinary expenses incurred and the extra taxation imposed have met with public approval, though, as we all hope, these extra burdens will be temporary only. The Hon'ble Sir William Meyer's clear exposition of the financial situation, for which he deserves all credit, has undoubtedly gone some way to popularise the Budget, but it should be frankly recognised that the welcome it has received has a far stronger basis in the loyal attitude of the whole community. Were it not for their genuine enthusiasm in the righteous cause of the Allies and their determination to help them to the utmost in the successful prosecution of the war, it would have been difficult to reconcile the people to the extra burdens at a time when most of them have suffered pecuniarily in a variety of ways. My Lord, in the absence of a periodical comparative statement regarding the economic condition of the people, it is difficult to substantiate the proposition by authorities, but it admits of little doubt that, though the resources of certain classes have increased, the resources of large numbers of men are still inadequate, compared to the cost of living which has reached a high level. In the interests of both Government and the people, therefore, one would like to have a periodical inquiry about the average income per head of population. On the results of such inquiry alone, a fairer conclusion about the incidence of taxation could be

drawn. The absence of the suggested data places us at a disadvantage in the discussion of the oft-repeated question as to the share India has taken in the financial burdens of the war. While India's brilliant response to the call of the Empire is generously acknowledged by both the Imperial Government and the Colonies, there is noticeable in some quarters an unfortunate suspicion that our contribution has been negligible, not only absolutely, but relatively to our capacity. It is invidious to have to refer to our own action, but we would remind these critics that, financially at any rate, we have done for the Empire equal to the Colonies. For years we have maintained, at a huge annual cost, the splendid army which has rendered inestimable service in the present war at the various fronts. We have borne, and we still bear, the whole cost of the Indian army that is now on the field. The Hon'ble Sir William Meyer, I thankfully acknowledge, has, in paragraph 81 of his speech of the 1st March given a summary of the services rendered by India at this crisis, and has demonstrated by figures the heavy burdens undertaken by us. Add to this the various War Funds and Ambulance Funds and Motor Funds to which the people have subscribed liberally. When stock is taken of all this, it will be seen that the total of our contribution is not small. And from my knowledge of our condition, I beg to add that we have not spared ourselves. Neither is there any desire among any of us to spare ourselves. I do not say all this in a boastful spirit, nor with a view to claim special credit for acts which have been done under a sense of duty. We are all fully cognisant of the incalculable advantage to India of forming a part of the British Empire. The people have realised this at this great crisis more than ever before, and have felt what India owes for the security she enjoys even in these troublesome times, to the mighty protection offered by His Majesty's invincible Navy. If we at all refer to our services and our sacrifices, we do that only to meet a charge of indifference which seems to be unjust. It should also be borne in mind that many respectable Indians have volunteered their services at the front, and have been mentioned in despatches; among these we are glad and proud to find the names of two of our Members of this Council, one of whom Malik Umar Hayat Khan is present among us for the present, but who will shortly go back to the scene of his labours from where we all hope along with His Majesty's other soldiers he will come back with the laurels of victory.

"My Lord, the time has not come for putting forward our claims to political advancement, and we have no desire to press them now; but since the commencement of hostilities, there have been numerous references to the question of India's position in the Empire on the restoration of peace. It is permissible, therefore, to express the hope that that position would be one of honour and trust and sound economic strength, and that, in the event of the lessons of this war necessitating heavy military charges over and above the former standard, the apportionment of India's share will be made carefully, and equitably, in consultation with Indian representatives, on the principles laid down by the Welby Commission. The Hon'ble Sir William Meyer, in the course of his speech on the 1st instant, referred to the determination at the end of the war of India's fiscal relationship with the rest of the Empire. We all sincerely hope there will be a fair settlement with an eye to India's economic interests. We also hope that, as a corollary to the more dignified position India will then occupy in the Empire, she will be represented adequately and directly in the Councils of the Empire.

"But, my Lord, the time is unfortunately not yet when these questions can be profitably discussed. The war is still on, and for the time being the one point of vital interest is the condition of our finances. The Hon'ble Sir William Meyer has shown how sound it is. He has also, with judgment and forethought, endeavoured to improve the Indian market for Rupee Paper. It seems clear for long years to come we shall have to depend upon that market for our periodical loans; and it is right that we should do so. It is most illogical and inequitable that we should borrow money elsewhere for our productive works. Whatever amount can be raised within the country should be raised. But the present state of the market for the $3\frac{1}{2}$ per cent. stock is discouraging. The Hon'ble Sir William Meyer's action for the support of the present stock is,

therefore, right, and will meet with general approval. The idea of conversion is good, but its success in practical working will depend upon the terms and other details. There is, however, one feature of the scheme outlined in the Hon'ble Sir William Meyer's speech, the full import of which should be realised by us. It is not its influence upon the market alone that recommends it. Its moral effect upon the people far outweighs that. It will encourage thrift among the general population. The offer of conversion being open for three years, the holders of stock will do their utmost to save money to enable them to avail of it. That is a real gain. The Council and the rest of India have learned with the deepest interest notification of the intention of your Excellency's Government to appoint a commission to consider the possibilities of State aid to our industries. We trust that, though it has been found necessary to exclude from the scope of the Commission's inquiries the question of fiscal protection to our industries, this important subject will receive full consideration at the proper time.

"My Lord, if I may be permitted to allude to a local question of deep interest and importance, I should like to take this opportunity of expressing the hope that the claims of the Central Provinces and Berar to be elevated to the rank of a Lieutenant-Governorship may receive early consideration.

"My Lord, the impending retirements are distressing to us. The Hon'ble Sir William Clark has, by his ability and courtesy, made such a deep impression that we part with him with genuine regret. We only wish success will attend him all through his after-life. Your Excellency's retirement has filled the whole country with sorrow. We all realise how, throughout your Viceroyalty during most troublous times, peace has been maintained, and you have always stood up for India's honour. We had fully expected your Excellency would continue to be at the head of the administration until the restoration of normal conditions. That hope we have now lost. But let us hope your Excellency will not fail to watch over our interests even in your retirement. May your Excellency enjoy your well earned rest for many a long year to come!"

The Hon'ble Mr. Stewart:—"My Lord, I have not spoken as yet on the Budget, because, when one has failed to make any impression on the Hon'ble Finance Member in Select Committee and elsewhere, it is really a waste of time to assail him further after he has donned his armour to meet all comers in open Council attacks, always provided that one's case is registered for record and future consideration—and still more because, though it is my duty to those whom I represent and to myself to state that case, I am most anxious not to appear in any way opposed to considered Government legislation in this time of war. I do wish indeed that the Hon'ble Finance Member could simply have said to the Council—'These are abnormal and exceptional times, and I must therefore take exceptional measures to raise what I consider the requisite amount of money, and I look to the whole Council to support me.' For, in normal circumstances, I should strongly have opposed the idea of budgetting for any considerable surplus by means of increased taxation, especially looking to the very conservative basis on which the financial estimates are framed. But the circumstances are not normal, and I do not think that a surplus can be regarded as any certainty. I take only one fact, that the net military expenditure for the year now closing is nearly £1,900,000 in excess of the 20 millions pounds sterling which were budgetted for last March; and I remember that history has a habit of repeating itself.

"One further general item to which I wish to refer is the railway allotment. I cannot, for the reasons given, disagree with its reduction to 3 millions sterling for the coming year, but I do hope that Government will state definitely that, as soon as possible, they will inaugurate a much more generous railway policy than has sometimes prevailed in the past. I regard this as vital to the industrial and economic development of the country about which we heard something three days ago. I should also like a statement that neither this necessary limitation of railway expenditure, nor their laudable desire to increase the output of munitions will be allowed, in any way, to interfere with the

due upkeep of railways and their rolling stock and with proper repairs. This would be very false economy, and I have to raise the point, as it has already aroused some attention.

"Then I turn to the export taxes. The strong opinion of the commercial community which I represent is that the desirability of these export taxes remains to be proved. We dislike them on principle, and we have doubts as to even their expediency, and we believe Government, too, share those doubts. Our position is, in short, that we consent cheerfully to their temporary imposition as a means by which Government, in the present difficult circumstances, will raise a very considerable amount of money, but we do expect them to be withdrawn as soon as possible. As regards the jute and gunny tax, I would mention that this, calculated roughly at 5 per cent. *ad valorem* on current high prices, is already heavy, and may prove a considerable handicap to two of India's staple industries when prices fall again as they inevitably will. I dismiss as lightly as did the Hon'ble the Finance Member, the airy and irresponsible suggestion that was made that this new and untried tax should be doubled *ab initio*.

"Turning to the new tea tax, I must develop the position a little more fully. The tea industry has admittedly been prosperous for two or three years past, but, as has been pointed out to the Hon'ble Member for Commerce and Industry, the large dividends paid by certain gardens which are privately owned and capitalised are apt to be somewhat misleading, and the prosperity of the industry, to a certain extent at least, has recently been fictitious, as it has been due largely to freight difficulties, to the trouble about getting teas home, and to consequent speculation there as to a possible shortage of supplies. And then the tax is bound, I think, to handicap Indian-grown teas to an appreciable extent in contrast with those exported from Java and China. Java is a particularly formidable rival, as will be seen from the fact that her annual exports of tea for the last six years have risen steadily, year by year, from 40 million pounds to 100 million pounds, and are increasing, especially rapidly, to Russia, our own best and most promising customer, and to Australia. The tea tax amounts to a farthing a pound, in addition to which, it must be remembered, that there is already an import duty at home of one shilling a pound. I must own that I could not quite follow the Hon'ble the Finance Member when he seemed to argue that this extra 49th farthing, as he put it, not to be paid by China or Java, should not prove an appreciable burden to the Indian industry, for I have by me a statement showing that 69 Indian Tea Companies with a capital of $2\frac{1}{4}$ crores of rupees in 1914, a good year for tea, made a profit on the cost of their production of 1·72 annas per pound. This would bring the tax out at about $14\frac{1}{2}$ per cent.; and it must be remembered too that the cost of production does not fall with a falling market, and that it will be increased, I think, to a rather considerable extent by the new import taxes on packing materials, etc. Therefore, I think, the tea industry are justified in claiming that this tax should be withdrawn as soon as it really is possible, and also that, if there is a surplus, part of it should be spent in the tea districts, where there is urgent need of money for improved communications and so forth. I think I am also in order in asking that the tax should not be levied on last season's teas, as I do not think that it was meant to have retrospective effect. Lastly, with regard to exports, I would say that a good deal of surprise has been occasioned by the omission to levy any export duty on cotton.

"Turning to the import duties, I have less to say, for I think most people recognised that these had to be raised, and I thank the Hon'ble the Finance Member for his clear statement that tariff values will continue to be fixed from year to year as at present. But some of these import taxes do seem likely to retard the industrial development of the country, and I trust that, in such instances, exemption will be granted on the merits of each case. I allude particularly to the case of branch and light railways, and to new industrial, electrical and chemical enterprises—I have an important group of such in my mind as I speak— and, I think, in the case of railways it is particularly clear, where Government fix the amount of capital which may be raised for them, fix the rates which they may charge, and guarantee a certain interest. I hope,

therefore, that they may be exempted from the increased tax, or that, at any rate, as Government has very rightly decided in the case of forward gunny and jute commitments and of teas sold up to the end of February, it will not be levied on contracts entered into prior to the 1st of March.

"With regard to the tax on jewels, pearls have been exempted from its operation at the instance of Bombay, and Calcutta, with whom Delhi will probably join, has asked that precious stones should be exempted also. With regard to dye-stuffs, it has caused some surprise, in view of the great demand for them, that these are subjected to such a heavy penalty as 7½ per cent.

"Then I come to the income-tax. An income-tax is generally regarded as a very fair one, and I entirely agree with the principle of graduation; but, with all due deference to my Hon'ble friend Pandit Madan Mohan Malaviya, I would say that the Indian income-tax is eminently and widely unpopular for the reason given by the Hon'ble the Finance Member himself in his almost cynically frank explanation of its incidence. Does he really mean that only 332,000 people in India are liable to pay this tax, and still more, that only 13,000 individuals are liable to pay it on the highest scale? How does he propose to remedy matters? Does he mean to remodel the entire Income-tax Collection Department? The Hon'ble the Finance Member also pointed out the marked difference even now in amount between the English and the Indian income-tax, but he did not make any reference to the grave injustice by which many people have to pay both. Can he do anything to help here? Personally —I speak entirely for myself on this question—I would rather have seen the £900,000 which this increased income-tax is expected to bring in levied by means of a small war surcharge on railway passenger fares or on railway freight rates, excluding from the operation of the former a radius of, say, 20 miles round our principal centres of population. Or again, by a very rough computation of figures kindly furnished to me by the Hon'ble Mr. Harrison, I reckon that nearly half a million sterling could have been raised by a small war tax of, say, one anna on inland telegrams, and of 3 pies on letters. I deliberately excluded post-cards from my calculations—on these a tax of 3 pies again would have brought in nearly £500,000 more—because post-cards in India are the means of communication of the poor—and I am absolutely and whole-heartedly with all who desire to minimise their burdens.

"The Hon'ble the Finance Member has not yet developed his borrowing programme for the coming year, and I therefore confine myself to saying that his references to it in the Financial Statement caused perhaps a little uneasiness and a slight decline in Government paper. But I am sure that he will find plenty of money for his purposes in this country, if he is willing to pay for it. I am sure, too, that he will be guided by what is done at Home, and by consultation with representative financial bodies in India. And I would congratulate him heartily on the success of his policy to promote our currency circulation.

"I have now, my Lord, concluded the detailed remarks which I have thought it my duty to make with reference to the Budget. The Hon'ble Finance Member cannot of course consult us in advance, but it is not presumptuous to hope that our views will receive his consideration when budgetting time comes round again. I have, therefore, ventured to develop them at some length. Over the Budget, as a whole, I cannot rhapsodise; I do not think I am expected to do so, but I do honestly think that, looking to the difficult circumstances, it is, on the whole, a fair one with the exception perhaps of the tea taxation, and such as has retrospective effect, and I take leave to congratulate the Hon'ble Finance Member on the skill with which he has explained, and where necessary, defended it. And, while it is true that the Hon'ble the Finance Member has appeared to argue that it is not a War Budget, with the idea presumably of avoiding having to promise that its imposts shall be removed after the war, he admits that this taxation is directly due to circumstances arising out of the war. I, therefore, do consider it a 'War Budget' and, looking at it from that point of view, I should simply hate

it—and so I am certain would all whom I represent—if one word that I have said could be construed as opposed to measures necessary for the administration of the country during these times. We in Bengal and Assam, with their great interests centering in Calcutta, are perfectly well aware what proportion of the new imposts we have to pay, and we note with appropriate feelings the Hon'ble Finance Member's recognition of the greatness of Calcutta. But, when one thinks of the drastic legislation which has been found necessary at Home, in Canada and in the Dominions generally, and far above and beyond this of the glorious fact that millions from India and all over the world are giving their lives and the lives of those nearest and dearest to them for the Empire, one realises that ours is no great burden, and we are proud and glad to bear it, such as it is. If there is not very much that we can do ourselves, we who cannot go and fight, we can pay.

"My Lord, in this sequence I may conclude my remarks fittingly by saying, with your permission, that it must be a source of real and legitimate satisfaction to you that this, the last Budget of your Excellency's Administration, will fall so lightly on the really poor of this great land, to which you have devoted yourself so unsparingly and so courageously during the past five and a half eventful years."

The Hon'ble Raja Syed Abu Jafar of Pirpur:—"My Lord, it affords me genuine pleasure to welcome the Budget presented by the Hon'ble the Finance Member, and to express my gratification at the excellent and wise manner in which he has prepared it. Unfortunately, we are confronted with an extraordinary situation of a world-wide conflict which has affected the financial and economic position throughout the civilized world. We were agreeably surprised at finding the financial situation of our country last year so satisfactory as to enable the Hon'ble the Finance Member to avoid proposing any new taxation in his last Budget. But what could be avoided last year, has had to be faced this year, and we have noticed increased taxation in several directions. But, although fresh taxes have been imposed owing to the estimated deficit in the Budget, I cannot help admitting that these taxes have been carefully thought out. The increase in tariff rates levied on imported foreign goods will not only provide additional revenue to the Government, but will also help, in my opinion, to give a kind of protection to some of our indigenous industries. The only item of taxation, with which I am unable to reconcile myself, is the increased tax on salt, because it is a necessary ingredient of the food of the people. The burden of such a tax will be felt especially by the poorer classes, a fact which the Hon'ble the Finance Member has himself recognised in his Financial Statement. I earnestly hope that, as soon as the necessity for the taxes levied this year disappears, they will be abolished, and that the salt tax will be the first to go.

"We have heard, with great satisfaction, the news that the Government have appointed a representative Commission to survey the economic resources and industrial possibilities of India with a view to promote business enterprise after the war. I trust that the investigations and suggestions of this Commission will be extremely beneficial to our commerce and industry, and will open up fresh fields for industrial development. Coming from the United Provinces, I should like to draw the attention of the Government to the vast scope for industrial enterprise in those provinces. The large amount of agricultural produce which the United Provinces grow can, with great advantage, be turned into manufactured articles. It has to be regretfully admitted that my Province is still very backward in this matter as compared with other major provinces. From the steps taken by the Local Government in recent years, it appears that it is also alive to this drawback, and is anxious to make serious efforts in this direction. I hope that the Commission will pay its special attention to the resources and possibilities of industrial development of the United Provinces, and that guided by its suggestions, we shall be in a position to manufacture a large portion of the agricultural produce which we are exporting at present as raw material and a part of which comes back to us, as manufactured goods.

"The establishment of a technological institution has been a great want of the United Provinces, and I earnestly trust that, in view of the great awakening in industrial matters, Government will be pleased to take the question into their favourable consideration, and help to provide it in the immediate future.

"There is only one more point to which I should like to refer, and it is in connection with Sarda Canal project. The scheme is at present under the consideration of the Government, and, if carried out, will prove of great advantage and benefit to my Province. It will tend to the fertility and prosperity of a considerable part of it. I trust that this project will receive sympathetic consideration at the hands of the Government, and that it will soon be sanctioned to promote our agricultural interests.

"My Lord, before I conclude my remarks, I may be allowed to refer to the impending retirement of your Excellency from your exalted office in India. The people of India part with you with feelings of gratitude and sorrow. Your Excellency's beneficent and illustrious *regime* will remain as a glorious monument in the history of British rule in India. The people of this country will gratefully remember the many and varied services which you have rendered to the cause of India, and earnestly trust that you will give the benefit of your great gifts in promoting the best interests of this country in England."

The Hon'ble Rai Ghanasyam Barua Bahadur:—"My Lord, a year of deficit budget is no happy time for a Finance Minister, and this unfortunately is such a year. The people were, however, prepared for it, and it was only the details that they were in anxious suspense to hear on the day the Financial Statement was introduced. The careful and painstaking way in which the Budget was prepared, and the judicious manner in which the new taxes were distributed, combined with the explanations that were lucidly given and the indications made as to how our discussions were to be guarded, should have left not much room for a lengthy or lively debate on it. We should, however, thank some of our Hon'ble colleagues in not letting the Budget go as dull a business as it appeared to be; and the Hon'ble Sir William Meyer has only to be pleased for the life that the debate gave to the otherwise dull affair. It may be doubted whether the debate was suited to the occasion, or should be expected to have had that educative effect on the people, which the voice that goes forth from this Council is expected to have; but as having given the Finance Minister an opportunity of further explaining himself, they served quite a good purpose. He should be gratified to find that the bulk of opinion was in his favour, and that many of us feel that, even if the Finance Member were an Indian, he could not have made out a better Budget without commiting a mistake. I doubt not that Sir William Meyer's feeling for India and her people is as real as himself, and we shall be only doing him justice by appreciating it. It would be too much to expect that the dreadful war will come to an end so soon as to afford sufficient years of peace to enable him before he lays down his office to relieve us of the taxation which it has necessitated; but I hope the Government will remember that the taxes imposed this year are emergency taxes, that the people treat them as such, and that as soon as possible after the war they will admit of reconsideration.

"I take this opportunity of speaking a few words about the tea tax, and some remarks that the Hon'ble the Finance Member has made about it. The single ground of the example of Ceylon having been followed should have sufficed for convincing the planters of their duty on the occasion, and the planters of Assam will, I have no doubt, loyally accept the burden put on their trade in view of the situation explained by him; but I venture to think that some of the other grounds set forth may well be treated as open to comment. It has been said that tea should be taxed, because the tea business has an industrial character, and has enjoyed exemption from income-tax for 30 years.

"I submit that tea is essentially an agricultural produce, as much as rice or wheat, with the only difference that it requires a good deal more of extra expense than those staples to make it marketable. It has not even the transformation which sugar-cane, which is treated as an agricultural produce, undergoes in producing coarse sugar. The exemption of tea from income-tax as an agricultural produce is, therefore, only its due, and ought not, in justice, to be made a ground for taxation. The tea business has paid more in land-revenue than it would have paid in income-tax on profits, and the tea planters will perhaps be prepared to make an exchange with Government for paying the income-tax in lieu of land-revenue.

"The temporary prosperity of the business should also hardly be taken into account to put a permanent tax on it. It had its days of severe trial from time to time, and perhaps such days are in store for it in future too. Even in these prosperous days, I do not think the average planter may aspire for much above 2 annas a pound for his net profit. The tax imposed is thus double the highest income-tax now proposed, and about five times the highest rates before. Here also an exchange of the taxes will be to their advantage. Tea is already taxed heavily at Home. And here, in addition to the land-revenue it directly contributes, it indirectly supplies a fruitful source of income-tax in the salaries and commissions paid to its employés. Over and above all these, the tea planter is creating a permanent and ever expanding source of income to Government in the shape of land-revenue from the emigrants settling down in the tea districts as permanent tenants of Government. I submit, therefore, that the tea business deserves very lenient treatment in the matter of taxation, and no excuse should be made of its lawful share in the exemption from income-tax to put an extra tax on it. It requires no protective duty here, as it must seek a market abroad. I hope the tax will be treated only as a war tax, and removed as soon as normal conditions return, or even earlier, should any reverse occur to the extra prosperity it is having for these two years.

"It is, my Lord, very sad indeed to reflect that this is the last day on which this Council has the proud privilege of being under your wise and sympathetic guidance. From the beginning to the end of the term of your exalted office, even the most cursory observer will notice an unceasing effort on your Excellency's part, not in the slightest degree weakened or abated by the most trying of human calamities, to uplift India and elevate her people intellectually, morally and politically. Your Excellency remarked in referring to your august predecessor in connection with the reformed councils that it was as brave a step as it was wise. I have little doubt from what I have seen during the small period I have had the privilege of being associated with this Council, that India will be able to prove that wisdom was the greater part of it. Equally brave and wise, if not more, will prove many a step your Excellency has taken to work out the future of India. By the territorial readjustments announced by His Gracious Majesty at the Coronation Durbar, your Excellency conceived a readjustment of the political forces of India in a way that is calculated to immensely improve the political tone of India, and conduce to her healthy political development. Your Excellency's Viceroyalty will form one of the most brilliant chapters in the history of India, and God willing, all posterity will have reason to gratefully remember this epoch-making period in India, and cheerfully taste of the fruits of the tree, the seed whereof has been truly sown by you Even in this dismal war, I see the hand of Providence aiding your Excellency's benevolent efforts by giving you a great and grand chance of serving India's cause. You have given, my Lord, a practical shape and form to the policy announced in the Royal Proclamations of our successive Sovereigns, and to the message of hope brought to us by our present gracious King-Emperor that his Indian subjects are to be treated equally with the rest of their fellow-subjects. I hope your Excellency's efforts will be rewarded by a loyal response in India both by the Europeans and Indians. I hope they will not only be inspired by the many personal examples of virtues of the highest order, which it will profit anybody to imitate, but will also remember the advices conveyed in your utterances, public and private, and by the general policy pursued, and consent on the one side, to

relax and gradually part with powers wielded, and on the other, learn to use the privileges, and prove their worth for more; to realise that the true interests both of England and of India lie in real, sincere and intelligent co-operation on both sides. My Lord, you have done for India all that you could in the time at your disposal and that to the very last. From the day you set your foot on this fallen land to the eve of your departure, from the memorable incognito visit to students' messes in Calcutta, to the announcements on the questions of indentured labour and Indian industries the other day, your labours show an uninterrupted zeal and continuity.

"It is sad to reflect, my Lord, what sufferings and privations to your august self will be inevitably associated with your recollections of India. But India has seen, and the world has seen, that your soul soars much higher than adversities of this mortal world can reach. May God, the Eternal Father of all, shower his choicest rewards on you both here and hereafter. India cannot sufficiently repay your Excellency for all you have done for her. Her humble tribute is a tribute of deep love and gratitude to your Excellency, and a message of devoted loyalty and dutiful homage to her most gracious Sovereign. We shall remember your Lordship with gratitude, and we are confident your Excellency will always remember India and her cause, though bodily removed from her soil."

The Hon'ble Malik Umar Hyat Khan:—"My Lord, I have keenly followed this session's debates which have revived again in my mind the memories of Indian politics, and that is why I am going to touch on some points connected with the Budget. I have, on previous occasions this session, avoided entering into debate on the principle that complete unanimity and concord should at this juncture exist between the Government and the people of India. I think it would have been wise if some of the controversial questions brought forward by some of the Members had been avoided.

"Thus during the debates, I did not agree with the attitude adopted by some of them when they tried to prove that the Government of India were unmindful of their duty, that their neglect in providing sanitary arrangements and sufficient medical aid had resulted in the death of hundreds and thousands of poor people. Such impressions, when embodied in public speeches during the war, are undesirable especially when they are mostly misleading to the ignorant. How would the masses feel if strict sanitary discipline was to be enforced; surely, they would consider it harsh treatment and would resent it. Take, for example, the troublesome time when it was sought to enforce plague inoculation on the people. Then as to medical aid, there are still places where the people resort to the old traditional custom of curing malaria by the device of putting up dummies in the shape of a blanket on a spinning wheel, or tying cord round a 'Jand' tree to cheat the fever to catch either the wheel, or the tree instead of the patient. Even now a large number of people go to local quacks, when the dispensary is also within their easy reach. Then, if people suffer for their own mistakes and ignorance, it is unjust to accuse Government of it.

"I think perhaps the cause of some controversies is due to the fact that the tenure of the Un-official Members of the Legislative Council is about to terminate. For that cause, I must express regret that it was not found possible to extend, till the end of the war, the term of the Non-official Members of the Viceroy's Council like that of the Members of the Parliament. Though this question does not affect me personally, for I am not going to stand for election, but I do think that some of my Hon'ble colleagues have had one eye on the electors when making their speeches.

"As to the Budget, I can safely say that the Government of India have imposed duties and taxes on the right articles when viewed from the Imperial point of view. If the Government had not taxed salt at such an abnormal time, I would have not only urged for taxation, but rather would have strongly criticised the omission. I think it is a mere show if one leads the poor to think that duty on salt touches their pockets, and that those who oppose the Government and urge its abolition, are championing their cause. The poor in India

are relatively much better off and more affluent than those of another Empire, which I have recently seen. The latter have no funds at all to buy salt with, and there are countries where salt is not considered even a vital necessity of life. I am convinced that there could not have been a better Budget, and I must congratulate the Finance Minister thereon. I am amazed to see such a striking and rapid progress made by the Government of India towards meeting the peoples' wishes, and it would not be going too far to say that it has now proved itself to be the peoples' own Government and so practically a *Swaraj*.

"I may remind the Council that, ever since I became one of its Members, I have taken every possible opportunity prominently to put before it matters relating to the Army, and have always opposed those who have advocated a reduction in it. In and out of the Council, I have been urging the Government for the past six years to raise Yeomanry and Volunteers, and to build warships and aircrafts, etc., and have since submitted schemes dwelling upon the necessity of increasing the strength and efficiency of the Indian Army. I have also asked for increase of pensions and grant of lands to soldiers with or without service conditions, etc. Now, owing to the necessities of the present war most of what I have been asking has been provided for as a sheer necessity to meet the situation.

"But all this I had asked long before the hostilities broke out. I cannot say now anything publicly on the subject, because all that I have thought fit I have put before the authorities privately; and if any further suggestion occurs to me, it would go through the same channel as that seems to be the best way possible at present. There is one matter, however, which I want to put before my country, and not so much before the Government, and before doing so, I want every one to clearly understand that India has done her part marvellously well under the government of Lord Hardinge the Great, which has helped the Army in every possible way. It is not only his government which has done so well at the time of the present crisis, but the people too have nobly responded to the call of duty, and have not lagged behind in respect of money or coming forward as recruits. But things cannot rest here, and we ought to consider ahead for the future well-being of the country. And this is the point I now want to emphasise. It is common knowledge that experiences of the war have proved to the Supreme Government the vital necessity of introducing compulsory service in the United Kingdom. When we know that we are one of its component parts, we should not lag behind, but make progress along with the whole. And now that conscription has been decided upon, we Indians, if not adopting the same principle, should at least go to the extent of registration not in order to send all the able-bodied men to fight, but with a view to know what we possess in the way of resources in men. If registration may not be desirable in every province of India, it may be tried only among certain classes and in certain areas as a tentative measure, and then gradually extended. The resources of India in men are so great that, even if this system is not enforced, the requirements of the present war may be served, but it is for two reasons based on future precautions that I put this before the country; firstly, that only the best of men, who know their duty and come forward, may not bear all the brunt of this struggle while the shirkers enjoy immunity at their expense. Secondly, by putting this forward, I contemplate future eventualities and safeguards. The reason of putting this now before the Council is, that the people who realise their responsibility should enforce the advisability of registration on the Government, and I appeal to all the leading associations and committees and the press in India to pass resolutions, or make representations in order to move the Government in this direction. By this, I should not be misunderstood to mean that I at once want a big standing army for aggression or armed volunteers for defence; I want the people to rise to the need whenever wanted, and thus take a step in the right direction. When this is done, many other schemes, regarding various problems from local safeguards against robberies and dacoities up to the future defence of the Empire by the aid of overwhelming numbers—the greatest asset to the present-day-warfare—could be formulated, and thus the Empire could emerge out of the present struggle stronger and more united than ever to be able to face any

unforeseen peril. Why I put this scheme now and want its adoption during the war, is that the people will be more anxious to do things in this direction, whereas when the war successfully ends and the enemy is beaten, they will get slack, and may then never hear a suggestion to this effect.

"Another cause, which has actuated me to take such a course, is the desire expressed in the press or on the platform, as also in this Council Chamber from leaders of various shades of opinions, of Hindu and Muhammadan communities, that India should be treated on a par with other self-governing Colonies. To ask is one thing and to achieve another. To reach this goal, hard exertion is of supreme necessity. It is an admitted fact that, as the matter stands, we are considered far more backward than the self-governing Colonies. Thus to attain the objective, it will not only be necessary for us to take an equal part with other Colonies in helping the Empire, but we would have to be easy first so as to make our case stronger in order to be able to put forward our claims on the Imperial Government when the time for so doing offers itself. I would have put before the Government the advisability of granting land to families on military tenure, and training the people on Militia basis during that portion of the year when they have least work to do. But I feel that in this matter the people themselves should take the initiative and do the needful, as suggested above. Any Government action to induce people by financial attraction would entail heavy expenditure.

"While thanking the Government of India and the Punjab Government for granting land to soldiers, I may point out that the area decided to be given was allotted before the war broke out. I hope that during such a colossal conflict, the allotted area may be very much increased; if not, all the available land in the colonies be placed at the disposal of His Excellency the Commander-in-Chief. The soldiers who have served the Empire deserve more consideration at the hands of Government than ordinary agriculturists who have no claims whatever unless they help the administration by producing recruits, or assisting in the suppression of crimes. I thank the Imperial Government, on behalf of Indian soldiers, for having increased their status and honour during the present historic Viceroyalty, as well as for the liberal treatment accorded to them in matters of pay and rations while on service during the period of war, and the great consideration shown to them and to their families by Government and public alike. I am confident that, when the time comes to reward their services, their claims will receive foremost consideration by the Government, because they are fighting for loyalty to the Crown, and are true to the salt of the rulers. The portion of the population which has done nothing but talk and ask for all sorts of things based on visions should not be allowed to benefit at their expense. After the soldiers have been satisfied, then if India is going to be raised to a higher status in the Empire for the glorious deeds not of her soldiers alone, but also for various other acts of loyalty by her civil population, every change for the better will be welcome.

"My Lord, there is one point to which I draw your Excellency's attention, and that is the rumours so mischievously set afloat throughout the country by a set of irresponsible people. I believe the Government is in full knowledge of it, but I beg to submit that the rumours are more numerous and far in excess than, I believe, is known to the Government. It requires not only drastic measures already adopted by the Government to check the evil, but also an organisation, based on a systematic propaganda, composed of efficient and loyal Indians who should be going about touring and lecturing or speaking in order to convince ignorant people.

"And then a further addition to the existing Criminal Intelligence Department would be a wise policy. The Criminal Intelligence Department men should not only detect and bring the people to book, but they should also assist the said propaganda by speaking and arguing with the ignorant. The ill-treatment accorded by the enemy to those ill-fated portions of small kingdoms recently overrun by him, should be emphasised and communicated to illiterate people who have no means to learn facts except through ordinary bazar rumours. The papers to them are of no avail, and so, the only

course open is, that some intelligent men possessing sound information should go round and verbally speak to them on the subject.

"The terrible outrages and cruelties of our enemies should be verbally impressed upon the uneducated, as it is they who form the masses, to enable them to comprehend the sacredness of our cause.

"My Lord, as I have been representing the Punjab Muhammadans on this Council during the current term of my office, I will not be doing my duty if I do not put in a word for them. They have not only been loyal during such a critical juncture, but have voluntarily come forward to fight the battles of the Empire in such huge numbers as to be able to easily top the list of recruitment, even if we ignore Army Service Corps or Cooly Corps in which they have also enlisted. For their exceptional loyalty and zeal, exceptional treatment should be meted out to them, and I hope that their academic institutions at the seat of Government or elsewhere where they educate their sons, may be supplemented by grants from the Provincial, as well as from the Imperial, funds. I also hope that, when money has been collected from a poor and a backward class like the Muhammadan community for the purpose of founding the Muhammadan University, the Government will bestow special consideration and special concessions upon the Muhammadan minority, so that the latter should make progress and not only be more useful members of the Indian Empire, but be equal comrades of their advanced sister communities, and not be a clog in the wheel of their progress.

"In conclusion, I hope, I may be allowed to express my great regret at the decision already come to, namely,—that there should have been a change in the highest office of India at this time; but one has to submit to it as there is no other alternative. A specialist was wanted at a special time, and the greatest of the Viceroys was badly needed at this time of the most dreadful need in the biggest of the wars the world has ever seen. I do not see it through my own glasses, when I say that your Lordship has so captivated the hearts of Indians that it will take time before they can bear separation. Indians are grateful people, and they will ever pray for your Lordship's long life, and will follow your future career with the greatest keenness."

The Hon'ble Mr. Dadabhoy:—"My Lord, a deficit Budget with fresh taxation does not ordinarily elicit encomiums upon the Minister, but the present extraordinary situation and the skilful management of our finances to which the Budget before us bears testimony, have secured for the Hon'ble Sir William Meyer felicitations practically from all quarters. Notwithstanding heavy expenditure of an unexpected nature during the year nearing its end, the revised deficit is less than the Budget Estimate by a trifle over 128½ lakhs of rupees. Several unforeseen causes have undoubtedly contributed to the result, but the Hon'ble Finance Member's skilful handling of a difficult situation accounts for much of it. The only item of expenditure open to comment is perhaps the fairly heavy capital outlay on unproductive works. The question of extra taxation to make up a comparatively small deficit in the coming year has already been debated in this Council. The only point, which I should like to press upon the attention of Government in that connection, is that any surplus that may accrue should be applied towards the prevention of ignorance and disease. As Lord Curzon pointed out, the surplus revenue from taxation must, on principle, go back to the people. If reduction in taxation is found immediately impracticable, the best use to which the money could be put to would be to support education and sanitation. The Hon'ble Sir William Meyer has himself justified additional taxation by a reference to the claims, among others, of education and sanitation, and I doubt not the principle will be adhered to in practice.

"My Lord, the admonition and rebuke just administered to us by my gallant friend the Hon'ble Malik Umar Hyat Khan will not prevent me from doing my duty, and placing before your Excellency what I have to say on this occasion.

"My Lord, the Hon'ble Finance Member's vaticination that—

'the experiences and lessons of the war must also add in some directions to our permanent military charges,'

has given rise to some apprehension which his reply to my question on the subject has not helped to dispel. A fuller statement would have been welcome. As it is, we can only hope that the imposition of these additional burdens will be in strict conformity with the principle enunciated in your Excellency's notable speech in Simla in September, 1914, that—

'we should accept such portion of the cost of the expeditionary force as would have fallen upon India, had our troops continued to be employed in this country under normal circumstances.'

"My Lord, in speaking in this Council on the 7th instant, I pointed out how a productive and expanding source of revenue had been unnecessarily abandoned by this Government. I feel, and feel strongly, that our opium revenue has been wantonly sacrificed to sentiment. But whatever justification there may have been for the discontinuance of our opium trade with China, it is difficult to imagine any for the present policy of placing on the market the Indian product at an upset price very much below the average retail price in the consuming country. The price per chest realised by this Government before January was Rs. 1,800, but the information to hand is that the retail price realised by the Hongkong Government worked to Rs. 32,000 per chest, which meant a clear profit to that Government of Rs. 30,000 per chest, or over 1,600 per cent. upon the cost price. I do not see why we should not share in this large profit. The upset price at auction sales can be easily fixed at Rs. 3,000 per chest, which will bring us over a crore of rupees of additional revenue. The abandonment of this easily realisable revenue would require some explanation.

"My Lord, the revised as also the budgetted railway expenditure is perhaps the lowest in recent history. Adventitious circumstances have prevented the Budget provision being worked up to during the current year. But among the restraining causes by far the more important is the 'pressure from the Treasury at Home against undertaking new works.' The connection of the Imperial Treasury with our railway expenditure is, however, not clear; but the enforced railway policy coincides with Indian public opinion. At the same time, I would request Government attention to the urgent need for a larger outlay upon improvements on open lines. We must be prepared beforehand for handling quickly and efficiently the enormous trade that is sure to follow the present spell of restricted movement. Efforts should be made to maintain in tip-top condition our railways as regards locomotives, rolling stock and permanent way.

"My Lord, the war, among other things, has produced a complete change in the Government loan policy. Even in the pre-war period, the Hon'ble Sir William Meyer adopted the bold and more equitable plan of raising in India bigger loans for capital outlay upon our railways and irrigation works. What was then an experiment must now form, from the necessities of the situation, the settled policy of Government. Henceforward, we must have more and more of the rupee loans, reducing to that extent our annual programme of sterling borrowings. This is certainly a sound policy, but every effort should be made to support the Indian market for the existing 3½ per cent. stock. With a view to have an opportunity of discussing the whole question, I gave notice of a Resolution on the subject in December last, but for reasons that appeared to me cogent, it was put off till after the presentation of the Financial Statement. In view, however, of the conversion scheme of Government, I decided to delay the discussion sometime longer. We should await developments, and watch the loan operations next autumn. Meanwhile, I shall satisfy myself with throwing out the suggestion that the conditions and the terms of conversion should be as liberal and attractive as possible, and, further, that the details should be settled in consultation, not only with bankers, but with reliable brokers and large dealers in Government Paper of the different centres.

"My Lord, it is somewhat regrettable that the educational policy of Government should be stereotyped, and the suggestions of a necessary departure do not

receive prompt consideration. I will deal only with one point by way of illustration. Admittedly, India is an agricultural country; admittedly, about three-quarters of the total population derive their sustenance from land. The supreme importance of agriculture to economic India is recognised in the maintenance of a combined portfolio of agriculture and revenue. But what about the spread of agricultural education? There is no attempt at a general spread of agricultural education. We have begun, perhaps, at the wrong end. The Institute at Pusa and the Provincial Colleges are excellent institutions in their way, but we require, more than anything else, an adequate number of special schools of an elementary and secondary nature. The better and more economical course would be to include agriculture as a subject of study in the general elementary schools and to convert a large percentage of the existing secondary schools into, what in Germany are called, 'real' schools in contradistinction to the gymnasia or the grammar schools, with agriculture occupying a position of some importance in the curriculun. When we have got in this country some such system of widespread agricultural education, the colleges will become far more useful. I hope the Hon'ble Mr. Claude Hill, whose association with the department has given public satisfaction, will take up the matter soon with his usual energy, tact and thoroughness.

"My Lord, the recrudescence of violent crime all over the country in spite of the most comprehensive repressive legislation, forces into prominence once more the question of Police reorganisation. Making every allowance for difficulties, it must be admitted that the force is wanting in efficiency and trained detective ability. The need for reform is very great indeed. Government is certainly alive to this, and is making efforts to improve the Department. But, in my humble opinion, something more radical and comprehensive is necessary. The supervising and inspecting staff should be thoroughly reorganised, and the graduates of our Universities must be appointed in larger and larger numbers. And the staff must be trained in detective work under first-rate men from England. This means a very much larger expense, but it should be incurred in the interests of good government.

"One other suggestion. Opinion in India is gravitating towards the ideal of her direct representation in the House of Commons by her trusted leaders. The European war will perhaps introduce important changes in the political relations of the outlying units of the Empire to the United Kingdom, and there is more than a possibility of the bonds of union between them being drawn closer. May we Indians not hope to be bound more firmly to England by this great concession also?

"My Lord, I share the general regret at the Hon'ble Sir William Clark's approaching departure from India, but we are buoyed up with the hope that, in the distinguished career that, for a certainty, awaits him in England, he will translate his sympathy for India into action with greater effect.

"My Lord, the termination of your Excellency's Viceroyalty is viewed by the people with poignant grief. I also associate myself with all the previous speakers on the subject. But may God spare you long, and give you strength and opportunity to employ your talent and power and authority in the great cause of Indian regeneration which has been uppermost in your mind through trial and tribulation during your illustrious Indian career!"

The Hon'ble Mr. Birkett:—"My Lord, I rise to congratulate the Finance Minister on his Budget, and to say a few words thereon. The approval which has been accorded to it by all communities throughout India must be a source of great satisfaction to the Hon'ble Sir William Meyer. For myself, I can only hope that the surplus he has budgetted for will be realised, as in these days of war when large payments may suddenly have to be made, it is most important that the balances of the Government of India should be maintained at a substantial figure.

"With regard to pearls, I think we are all sorry that the duty on these luxuries could not be maintained. As it is, I thank the Hon'ble Sir William Meyer for so promptly exempting them from duty, as otherwise a large and valuable trade would, I think, have been lost to India.

"With regard to the new rupee loan, it should be possible, I think, to raise all the amount budgetted for, but until the terms of conversion and the rate of currency of the new loan are known, it is impossible to say what measure of support these proposals will obtain. I am confident, however, that our able Finance Minister will be able to satisfy investors, and that the loan will be a success. If, however, the public are going to be placed in a position to take full advantage of the conversion scheme, the utmost consideration will have to be given to intending investors by the Banks, and to the Banks, by Government.

"The Hon'ble Finance Minister has allowed an allotment of only 3 millions to railways, which will be almost entirely spent on open lines. Taking into consideration all present circumstances, this figure must be taken as a reasonable one, but particularly so as, owing to the difficulty of obtaining material from Home, more could not be spent, and, even if material could be obtained, the very high cost would prove a too prohibitive tax on permanent capital. In this connection, I would, however, like to say this. It is of supreme importance that the trade in this country is carried on, not only the internal trade, but also the foreign trade, which at present is of such consequence to Great Britain and her Allies. We in Bombay are faced at present with a coal famine, and are finding great difficulty in getting down sufficient supplies, not only of coal, but of manganese ore, the latter of which is so badly needed at Home. One of the reasons for the difficulty is that the doubling of the Great Indian Peninsular Railway has only been completed to Badnera. The Badnera-Nagpur section still remains to be done. There is no doubt this very necessary work would greatly facilitate the carriage of coal and manganese to Bombay, the former of which is so urgently required, if the mills are to be kept going, and steamers are allowed to sail, and the latter is no less required, as I have said in England. I would, therefore, venture to suggest the advisability of completing the doubling of the existing line, even if the cost is high, and it is found necessary to turn out the necessary rails at the expense of munitions.

"With regard to the raising of the income-tax, I have not met any one who is not willing to shoulder the burden. There is, however, a widespread belief that it falls on the shoulders of a very few, and that many, who should pay, escape. This, my Lord, is one of the main reasons of the unpopularity of this tax. I hope, therefore, the Government of India will readily sanction any increase in expenditure asked for by Provincial Governments to improve or extend the personnel required for the collection. It is only by these means that the tax can be more efficiently collected.

"I was very glad to hear from the speech of the Hon'ble Mr. Claude Hill that Government were conducting, despite the war, a special investigation in agricultural research, and that the research work at Pusa had resulted in the selection of a new variety of wheat known as Pusa No. 12, which promises to give better results than any of the local varieties, and that Government were trying not only to arrange that the farmer who went in for this variety secured a higher price, but that the buyers also got the benefit by having a special quotation for this variety secured in the Home markets. It is only by means such as these that we can expect the *raiyat* to venture into new varieties of seeds.

"I congratulate the Finance Minister on his policy, since the war started, of arranging for the encashment of universal notes whenever and wherever possible. The result of this assurance of encashment is seen in the figures of note circulation supplied in the Financial Statement. I also congratulate the Finance Minister for amending the Paper Currency Act, whereby the large sums of gold the Government of India would otherwise be compelled to hold in London, can now be invested in Treasury Bills, an easily realisable and safe security, our Indian trade requirements thereby being adequately met without prejudice to the interests of the Empire.

"In conclusion, I desire to express, on behalf of the mercantile community that I have the honour to represent, our grateful thanks for the measures your Lordship has promoted throughout your tenure of office to bring the relations of Government into close touch with commercial interests. Bombay

particularly, owes a great debt of gratitude to your Excellency, and you will see, when your Excellency comes to us on the 4th of next month, how all classes and communities of the City to which I have the honour to belong appreciate your great services."

The Hon'ble Sir Fazulbhoy Currimbhoy:—"My Lord, the most important point in the Budget has been discussed in Council in connection with the two Bills providing additional taxation, and I have already supported the financial arrangements of which that taxation is the principal feature. I may add that the present Budget has increased our confidence in the Hon'ble Sir William Meyer. It is not to be expected that it would satisfy all, but it ought to be, and it has been, welcome to Indians who, Government will be pleased to note, take a broad and sober view of the responsibilities and the difficulties of the present situation. We have trusted Government, and we are glad to find our trust has been justified. The people are with Government on this grave occasion; they are anxious the hands of Government should be strengthened. The Budget, accordingly, has been received by them with satisfaction. I would, however, submit for the consideration of Government, that the annual expenditure for fodder concessions under the special head of 'Famine Relief' might be considerably reduced, if not altogether avoided, by encouraging a proper system of fodder storage throughout areas which are affected periodically with famine. The difficulties of storage are not great, and there is hardly any reason why a scheme of ensilage should not work well. Silos are not unknown in India. The Department of Agriculture and Revenue might well take up the subject, and the Provincial Registrars of Co-operative Credit Societies might, with advantage, devote a part of their time to it. The economic gain to the country will be great, and Government would be able to employ the amount saved in consequence on other useful works of a permanent nature. The importance of the subject will appear from the fact that, in the current year, the actual expenditure for fodder concessions has come up to £40,000, or 6 lakhs of rupees, and the same standard is followed in the Budget provision for the ensuing year under this head; and all this at a period when famine is limited both as regards dimensions and intensity.

"My Lord, any remarks at this stage on the conversion scheme might embarrass Government, but Bombay financial opinion is that the rate at which the conversion of 3½ per cent. Government Promissory Notes into four per cents. is allowed, and the currency of the new loan must be so attractive as to create a brisk demand for Government paper. Since the announcement by the Hon'ble Finance Member, a weak feeling is noticeable in the market. In my humble opinion, an early decision followed by an early announcement about the terms and conditions of conversion and the budgetted loan is essentially necessary. I am glad the Hon'ble Sir William Meyer proposes to consult shortly the Secretaries of the Presidency Banks at Bombay.

"My Lord, a good deal of interest attaches to the reference in the Hon'ble Sir William Meyer's speech on the 1st instant to the determination of large fiscal issues relating to India at the close of the war. The matter is of paramount importance to the future of this country. A number of questions are outstanding for long years. For instance, the question of fiscal autonomy for India. The question of favoured-nation treatment for India in foreign countries is equally important. It is imperatively necessary for our best interests, therefore, that we should have in them, what is known as the most favoured-nation treatment. This point should be considered and determined after the war, along with the question of fiscal autonomy. We feel reassured the Secretary of State for India has promised consideration of fiscal issues after the war. The Government of India has been with us all along, and I have no doubt all outstanding fiscal questions will be satisfactorily settled in consultation with the representatives of that Government.

"My Lord, your Excellency has done a great act of justice to India by recommending to the Secretary of State for India the abolition of the indenture system of emigration. But there is another point. We still want

facilities for free emigration oversea. The whole of this important question will have to be settled with due regard to Indian interests after the war, in consultation and cordial co-operation with the Imperial Government and the Colonies. It would perhaps satisfy all interests better if, while regulating Indian emigration to the self-governing Colonies on the basis of 'complete reciprocity', sufficiently large areas oversea with advantages of climate, soil, proximity and facilities of communication are reserved for our emigrants. And these large questions can only be satisfactorily discussed at a post-war Conference of representatives from all the units of the British Empire, inclusive of India.

"My Lord, the Hon'ble Sir William Meyer's observations about the excise duty upon Indian cotton goods have been welcome to the people. The Government of India have never approved of this duty, but it was reserved for your Excellency's Government to make a determined effort for its repeal. The public announcement of the action taken by Government in this matter is of itself an agreeable and significant departure in policy which we are not slow to appreciate. The incident gives us an insight into the great services your Excellency has rendered to India as her most devoted advocate, much of which must be hidden from the public eye.

"My Lord, we are indebted to your Excellency for the promptitude with which Government, in response to the public appeal, has exempted pearls from the new 7½ per cent. import duty. The industry has now been saved, and it is just that we should acknowledge also the Hon'ble Finance Minister's and the Hon'ble Sir William Clark's share in the exemption. Indeed, the Hon'ble Sir William Clark has, during his tenure of office, ever been ready to help in the industrial development of India. We in Bombay feel how closely he has been in touch with us, and how uniformly we have received encouragement and guidance at his hands. It is a matter of sincere regret to us that in a few days he will retire from an office which he has held with conspicuous success at an important period of Indian history. My Lord, our good wishes will follow him in his retirement, and we hope India will still share his sympathy and attention.

"My Lord, I beg to invite, with all the earnestness I can command, the attention of Government to the need for a thorough inquiry into the present extraordinary rate of mortality among infants in India. In reply to my recent question on the subject, Government disputed the correctness of the statement that the mortality was 48 per cent, but admitted that in 1913 it was 38·9 per cent. among infants under one year. If the percentage of mortality among infants between the ages of one year and five years is taken into account, the total of the infantile mortality would not be very much below the figure suggested by me. Even as it is, 38·9 per cent. is extraordinarily heavy in all conscience, and the position requires careful examination. We should not rest satisfied until the causes have been thoroughly investigated, and proper remedial measures adopted. May we expect that Government will undertake a sifting inquiry at an early date?

"My Lord, the great war is still on. It would have been well for us if peace had been concluded before your Excellency retired from this country. From the very commencement, your Excellency has striven to use the occasion as a lever to raise India to a dignified position in the British Empire, and your far-sighted policy has succeeded beyond the dreams of the most ardent enthusiast. The employment of Indian troops in the war has vindicated our honour before the world; has solved many a difficult political problem for us, and has produced such a wholesome change in the temper of the rest of the Empire towards India as provides the best augury for our future. It is your Excellency who has broken through the standing prejudice against Indian troops, and who, with the vision of genius, has caught the right moment to advance India's cause. Your Excellency's advocacy at the end of the war would have been a great gain to us.

"My Lord, the brilliant record of your Excellency's Viceroyalty and our deep appreciation of your great services to the country, would naturally make

us desire that your Excellency should continue in office until at least the termination of hostilities. But we are disappointed. Your Excellency's approaching retirement has filled us with profound sorrow. We only hope the noble policy initiated by your Excellency will continue to animate British Indian Administration, and will receive further development at the hands of your successors. My Lord, we wish your Excellency most sincerely all happiness in your future life, and we hope your Excellency will never forget India."

The Hon'ble Maharaja Ranajit Sinha of Nashipur:—
"My Lord, this year's Budget may in one sense be called a 'War Budget,' not because we are making any very large contribution to His Majesty's Government for the successful termination of the war, but for the decrease in our income under certain heads of receipts, and the increase in expenditure under other heads. Notwithstanding the general retrenchment in all heads of expenditure, there has been an Imperial deficit which has to be met by taxation. My Lord, since the last two years there has been a deficit, and your Excellency's Government avoided to impose any fresh taxation as long as it was possible to do so; but when there was no other alternative, the Finance Minister was obliged to impose new imposts. The people of India have implicit confidence in your Excellency, and so the Budget, in spite of the new taxation, has generally been well received, and we congratulate the Finance Minister for the same.

"My Lord, as regards the new taxation, I must say that there has been a keen disappointment in some quarters, because no duty has been imposed upon cotton. We understand from the speech of the Finance Minister that the Government of India recommended a material increase of the import duties on 'cotton,' but the Secretary of State thought that it was not desirable to raise a controversial matter on this occasion, and so we bow to his decision and hope that, when the entire fiscal policy of India is considered, it will be considered to her advantage.

"My Lord, in India, I think the indirect taxation is more suitable. I quite agree with my friend the Hon'ble Mr. Stewart that, if there would have been little increase in the railway freight, we might have, to a certain extent, avoided this taxation, I mean the income-tax. But, my Lord, the difficulty is that, with the approval and sanction of the Secretary of State, the tax has been imposed; and though we are privileged to move Resolutions, it is of no use as even if we could satisfy your Excellency's Government as to the alternate proposal, I am afraid the Finance Minister could not accept the Resolution without the consent of the Secretary of State. My Lord, as regards income-tax, I find that, in the case of 13,000 persons only, it has been more than doubled, and the majority of them are our European fellow-subjects, who either belong to some mercantile firms, or are high officials, and these classes of His Majesty's subjects are in more ways than one contributing to the success of the war. At the same time, we find that the salt tax falls upon the shoulders of the majority of Indian population, the greater number of which are poor. So, in fact from the highest to the lowest, and from the richest to the poorest, everyone has to bear the burden of the war.

"My Lord, I have noticed in some papers that there is jealousy in certain quarters that the lands have been exempted from this taxation. Perhaps my friends do not know that the land has already been assessed in some places in the form of roads and public works cesses, and in others in the form of land-cess. And we can assure your Excellency's Government that, if such an emergency arises, the landholders will not lack behind in contributing their quota to uphold the prestige and honour of the Empire and for the triumph of the British arms. My Lord, I am disappointed to find that there is no assurance in the speech of the Hon'ble the Finance Minister that this taxation will last only till the war lasts or sometime after it. In the latter portion of his speech, one is led to think that it will last till the war; but if

one reads another passage in his speech—paragraph 32—one is constrained to think otherwise. There is a general impression in our country that, if a tax is once imposed, it is going to last for ever; and I hope the Hon'ble the Finance Minister will allay this impression by giving an assurance in the matter.

"Then, my Lord, with regard to military expenditure, in some quarters an attack is levelled against the Finance Member that India's proper share of contribution is not budgetted towards the expenses of the war. Undoubtedly, we are not contributing directly anything to His Majesty's Government, but we find from the Budget that India is meeting all the normal expenses of the troops who are fighting side by side with the troops of the Allies and Colonies, and that India is preparing the munitions and helping the cause of the war in some other ways also. But I think that if it is necessary, India, which forms an integral part of the British Empire, should not hesitate to contribute her mite towards the expenses of the war, however insignificant and small it may be. Though we know full well that, where millions and millions are daily spent, India's contribution, whatever it may be, will be a drop in the ocean.

"My Lord, I find also that there has been an increase of expenditure under the head 'Military.' I would not grudge this at this time of crisis, because it is essentially necessary to increase the efficiency of our Army, to strengthen our naval force, and to spend more money generally for the proper defences of the Empire. But I hope that, when normal conditions return, the expenditure under this head will be cut down.

"Then, my Lord, as regards sanitation, I think it is not prudent on my part to ask the Government to set aside any large sum for this purpose at a time when there is retrenchment in every direction owing to war, and so we are specially thankful to your Excellency's Government for the provision made in the improvement of the sanitation of the pilgrimage route to Badrinath and Kedarnath.

"My Lord, I have one suggestion to make, that sanitation is the more important subject, and there a good deal of interest is taken by the people at large in it. So, instead of putting it under the head 'Medical', I suggest to the Hon'ble Finance Member to put it under a separate head altogether, so that the people may, at one glance, find out what amount has been provided, and what is being spent for this important purpose.

"Now, as regards education, my Lord, during your Excellency's Viceroyalty education has expanded by leaps and bounds; and, though it may not have reached its goal, no one could deny that since the last five years the expenditure for education has enormously increased. But, my Lord, I regret to find that female education has not made as material progress notwithstanding the earnestness of Government in this matter. The reason is obvious. Owing to the *purdah* custom and early marriage of girls in some provinces, the girls are taken away from the schools at a very early age. I would suggest, therefore, to your Excellency's Government that the *zenana* system of education should be encouraged, and unless that system is placed on a sound footing, female education cannot make a rapid advance as one could expect.

"My Lord, then as regards police, we find that for the last five years there is a gradual increase under this head. The Government of India in 1903 appointed a Commission under Sir Andrew Fraser to inquire into, and report on, the matter. The recommendations were received and acted upon; but it is a fact that there has been no material improvement in that direction. The people look on the police with suspicion, and have no confidence in them; at the same time, the police do not get help from the people. I do not say that either the police or the people are in fault; but I think it is desirable that there should be a co-operation and help between the police and the public. This is the most important matter, and I should like to invite the attention of Government in this respect, and I hope that, when the normal time comes, Government will give its careful consideration to the matter.

"My Lord, I cannot conclude without expressing my deep regret for the approaching retirement of your Excellency. This is the last occasion when we

would see your Excellency adorning the presidential chair in this Council. My Lord, by your sympathetic and statesmanlike policy, you have endeared yourself to the people of the country, and your name has been enshrined in the heart and hearts of the people. Your Excellency has captured the loyalty of India, and by various acts have placed the whole country under a deep debt of gratitude. I do not think it is necessary for me to dwell at any great length on the various boons you have conferred upon the people of India during your Viceroyalty. In one word, my Lord, I can say that in you, India will lose her great friend and benefactor. But we are confident that in whatever position your Excellency may be placed, India will always find a place in your heart. May the Providence grant unto your Excellency long life, health and strength to continue to be useful to the Empire and to the country which you are so fond of! I take this opportunity, my Lord, to offer my most respectful and humble congratulations to your Excellency for your services being appreciated by His Majesty, the King-Emperor, by appointing you to a Knight of the Garter."

The Hon'ble Khan Bahadur Mir Asad Ali Khan:—"My Lord, if ever a Financial Statement called for little criticism, it is the one presented to the Council by the Hon'ble Sir William Meyer, one of our ablest financiers. The presentation, under exceptional circumstances, of a Budget so satisfactory, could not have been done without considerable labour, circumspection, and forethought. I join, therefore, my Hon'ble colleagues in heartily congratulating the Hon'ble Finance Member upon his statesmanly and successful Budget. When the fluctuations of opium revenue filled us with apprehensions during the closing period of the last Finance Member, it was suggested that our import tariff should be revised with a view to enhancement of customs duties. I am glad to find that, in this year of difficulties created by war conditions, he has seen fit to tap this source of revenue without finding it necessary to impose any burdensome taxation upon the people. Not only does he provide thereby, and by an increase under income-tax, for making up an estimated Imperial deficit of £2·6 millions, but by an increase under income-tax and an enhancement of the duty on salt, one of the bare necessaries of life, he has created a surplus of over £1 million against what he calls possible contingencies. While I do not take exception to the provision of a surplus, I venture to think that the same might have been done in any other way than raising salt duty by twenty-five per cent. While the raising of salt duty may not really affect the poorer classes as the increase would amount to 3 pies per lb, I hold, as a matter of principle, that little or no taxation should be imposed upon the bare necessaries of life, such as salt. However, I am willing to allow that Indian peoples, at this crisis, will gladly bear all such taxation.

"In view of the probable continuation of the war for yet another year, and its after-effects, it is highly desirable to maintain the soundness of our financial position by adopting a policy of strict economy in the administration of the country, and providing even against the failures of our whimsical monsoons. It cannot, perhaps, be denied that our public expenditure, both civil and military, has even in peaceful times, gone on increasing yearly in a greater proportion than that of our public revenue. While there may be justification at present for an increase in public expenditure, there could be no justification for such increase during normal times. For instance, expenditure under 'Salaries and other Expenses of Civil Departments,' has increased by about 14 crores of rupees within the last fifteen years. 'Miscellaneous charges,' too, have increased by about 1½ crores during the same period There has altogether been a total increase of expenditure by about 15½ crores. If ever there is urgent need for strict economy in public expenditure, the present is an opportune moment. That there has been a little economy here and there I do not deny. But that is not the kind of economy one would expect to see. What is really wanted is retrenchment in the administrative machinery. Going through the statement of expenditure charged to the revenues of India, I find that there has been, except in a few cases, a tendency favouring increase of expenditure, notwithstanding instructions towards

practising economy. Especially is this the case under 'Salaries and Expenses of Civil Departments,' and 'Miscellaneous Charges.' Several items under these heads badly need pruning.

"For instance, police expenditure budgetted for 1916-17 shows a large increase of about 18 lakhs of rupees, as compared with Revised Estimate for 1915-16, while educational expenditure shows an increase of about 13½ lakhs, and medical expenditure unfortunately shows a decrease of about 5½ lakhs. It is also interesting to note that police expenditure has grown from about 698 lakhs in 1912-13 to about 829 lakhs budgetted for 1916-17, thereby showing an increase of about 131 lakhs or 16 per cent. within the short period of four years. Apart from a small increase of about 6 lakhs due to the better equipment of the police force in the North-West Frontier Province, the increase under other Imperial and Provincial heads seems not only general, but considerable part of this general increase, more than a fair proportion, I suppose, is due to a rise in the charges of the Criminal Investigation Department, a department the justification of whose existence I fully admit. If an increased expenditure means increased efficiency, I have no quarrel with that growing item. But if increased expenditure means mere numbers with fancied efficiency, then it is high time that that item should be subject to close scrutiny, lest public money be wasted on an enterprise of doubtful utility. In this, as in other items of civil expenditure, much stricter economy has yet to be shown. It need hardly be said, my Lord, that the Indian administration is one of the costliest administrations in the world. In no other part of the world, except perhaps in the United Kingdom, are the salaries of high administrative posts so high as in India. Commission after Commission has been appointed to scrutinise our public expenditure, and suggest improvements. And yet our public expenditure has acquired a capacity to grow unabated. The war has taught us all to practise strict economy. Economy is as good for the individual as for the State. Instead of falling back upon salt reserve, the Finance Minister might very well have reduced the civil expenditure by 1½ per cent., or the civil expenditure (excluding Railways and Irrigation) by about 2½ per cent.

"During your Excellency's *regime*, my Lord, education and sanitation have claimed foremost attention, and their present progress is chiefly and largely due to your Excellency's sympathetic administration. Muhammadan education too has considerably progressed, as is evident from the fact that there were in 1914-15 as many as 1,725,000 pupils. In Madras, a recurring Imperial grant of Rs. 30,000 was made towards the expansion of Muhammadan education, and the proportion of Mussalmans at school to those of a school-going age is 42·4 per cent. While the general educational progress was so far satisfactory, it must be admitted that Mussalman youths in Madras have not yet made sufficient progress in higher education, as in Bengal or the United Provinces or the Punjab. While there are 9 scholarships exclusively reserved for Muhammadan boys in Bombay, and 15 scholarships in connection with the Matriculation of the Punjab University, there is practically none whatever in Madras. I submit, therefore, that provision should be made sooner or later to found a few scholarships in the Madras University for the benefit of those Moslem youths, who, for want of pecuniary help, are obliged to give up the pursuit of higher education. It is also satisfactory to note that local bodies in Madras expended about Rs. 10½ lakhs on Muhammadan schools during the quinquennium ending 31st March 1914. As there is not even a single Muhammadan Inspector of Schools in Madras, it is to be hoped that one or more Inspectors will be appointed there, so that Muhammadan education will be taken special care of. Education among Muhammadan girls too is slowly but steadily progressing, there being at present over two lakhs of girls under education. Three of them are in the Arts Colleges, one each in Madras, Bombay and Bengal, respectively, and one in a Medical College, besides 40 in Medical Schools, 92 in Training Schools, and 186 in Technical and Industrial Schools. In this connection, I should like to suggest the appointment, as an experimental measure, of an Inspectress of Schools for Madras either for

zenana class supervision or for the supervision of girls' schools, similar to the experiment successfully tried in Bombay. We await with pleasure the answers of Local Governments to the recent Circular of the Government of India *re* women's education in India.

"Closely connected with the progress of the Moslem community is the great question of separate representation for Muhammadans in Municipalities and District and Taluk Boards. Though I do not favour communal representation merely as such, I advocate it as a temporary measure which is calculated to rouse the community from its long slumber. Each community must work out its own salvation. When each of the great communities has reached a fairly high level of progress, it is then easy for all of them to come together on a common platform, and co-operate with one another for the common good of the country. Until then, communal representation is necessary. Hence, Muhammadans should be given representation in local bodies, just in the same way as it is done in the Imperial and Provincial Legislative Councils. In answer to my repeated questions on the subject, I was given to understand that the question was under consideration. I trust, therefore, that our benevolent Government will not fail to accede to the Moslem request in the matter.

"My Lord, it will not be out of place, I believe, if, in passing, I make a brief reference to our work in the Council during the last three years. The relations between the Official and Non-official Members have, on the whole, been satisfactory, and the progress of work individually or collectively done, necessarily slow under the present rigid constitution of the Council, only emphasises the need for more than one Indian on the Executive Council, further expansion of Legislative Councils with increased functions, introduction of a larger elective element, greater freedom of discussion, wider angle of vision, and greater mutual understanding and sympathy.

"My Lord, the expiry of our term of membership curiously coincides, and happily too, with the termination of your Lordship's Viceroyalty. You will pardon me, my Lord, for a few personal references. Since the days of Lord Ripon, no Viceroy has endeared himself so much, and stood by the people so well, as your Excellency. Among the many notable incidents during your Excellency's successful *regime* may be mentioned the restoration of Delhi to her wonted pre-eminence as the historic capital of the Indian Empire, to the rebuilding of which your Excellency spared no pains whatever, a fact of supreme satisfaction to both Hindus and Mussalmans whose respective Sovereigns in olden days reigned there in great pomp and splendour, the settlement of the Indian question in South Africa as well as the Cawnpore mosque affair, the despatch of the Indian Expeditionary Force to the theatre of war, Indians participating in a European war for the first time in the history of this Empire, and above all, the strengthening of the bond of good-will between England and India by systematically pursuing, amidst trials and dangers, a liberal and sympathetic policy of administration. I desire to take this opportunity, my Lord, of expressing, both on my behalf and on behalf of the community I have the honour to represent, our grateful thanks to your Excellency and your Excellency's Government for steadily promoting the well-being of the people, and trust that, even after retirement, your Excellency will long continue to take a deep and abiding interest in Indian affairs, and that, when the war terminates, as it will by the grace of God, in a brilliant victory to England, and when the question of readjustment of the relations between the different members of the Empire comes to be discussed, your Lordship's weight and influence will be thrown on the side of India, and that through your statesmanly intervention, India would be privileged to share the joys as well as the burdens of the Empire, as a self-respecting partner in the great Imperial Federation.

"My Lord, I beg to be permitted to bid your Excellency a hearty farewell on the eve of your departure from India, and wish Your Excellency *bon voyage* home and a happy sojourn in the Motherland."

The Council here adjourned for Lunch.

The Hon'ble Sir William Clark:—"My Lord, before we resume the business of the day, may I, as *Vice*-President of your Excellency's Legislative Council, offer to you, in a very few words, the respectful congratulations of the Council on the conspicuous honour which His Majesty, the King-Emperor, has been pleased to confer upon you in appointing you a Knight of the Most Noble Order of the Garter? That your Excellency should have received the most distinguished Order, which it is in the power of the Crown to confer, will be a source of intense satisfaction throughout India, but by none will the news be received with a keener sense of gratification than by us, the Members of your Legislative Council, who have had the special privilege of close association with your Excellency. We feel ourselves peculiarly fortunate that this announcement should have been made to-day, when your Excellency, is presiding over a full meeting of your Council, thus enabling us, as a body, to offer to you our heartfelt congratulations on this happy event."

His Excellency the President:—"I thank you all very warmly for your very kind congratulations and appreciation of what, I may say, is a most unexpected honour that I have received from His Majesty, the King-Emperor."

The Hon'ble Rai Sita Nath Ray Bahadur:—"My Lord, on the occasion of the discussion of the Budget, it has become, so to say, one of the conventional duties, on the part of every Non-official Member to begin his speech by offering felicitations to the Hon'ble Member in charge of the finance, as if the imposition or remission of taxation, or its increase or decrease were wholly dependent on his good-will and pleasure, irrespective of all outside circumstances and considerations. Is it really conventional in the present case? No, my Lord, our congratulations, on the contrary, are more heartfelt and more sincere as we realise how the extraordinary situation, created by the war, has been met. It cannot be denied that the Hon'ble Finance Member has been able to meet a very difficult situation by wise and statesmanlike schemes of taxation, by distributing the burden, which is not very heavy in any case, not on any particular class, but upon all classes of people, and what strikes one most, and what differentiates them from the ordinary schemes of taxation, is the graduated scale of additional income-tax, which, while not touching or hurting the people of slender means, has imposed the additional burden of taxation on a graduated scale upon the well-to-do classes, the higher the income, the greater is the incidence of taxation until it culminates in imposing a burden of one anna in the rupee on the highest classes of assessees, who are, therefore, not likely to feel it keenly. I have no doubt in saying that your Excellency's Government has displayed great judgment in formulating these schemes of taxation which are indeed characterised by wisdom and moderation, and as such, the whole country will, I am sure, readily and cheerfully submit to the new schemes of taxation without any murmur or grumble.

"For more than a year and a half, the British Empire has been involved in the greatest and most sanguinary war ever known to history in which all the mighty powers of the world are ranged on one side or the other. This is a war which has entailed untold sufferings, unprecedented sacrifice of life and money. But what is most sickening in this great war, is the barbarous and inhuman conduct of a nation which once prided itself on its culture and civilisation, but which has not now shrunk in the slightest degree from committing unheard-of atrocities, barbarities and outrages on humanity. Realising how severely the resources of England have been taxed, we should gratefully acknowledge that protected by her powerful Navy and Army, we are comparatively enjoying here the security of life and property, and that our sacrifices are not heavier and our burden of taxation is not more onerous, it is therefore all the more incumbent upon us that we should cheerfully accept the new schemes of taxation, and offer our sincere congratulations to the Government, more particularly, to the Hon'ble Finance Member, for shaping them in a way generally acceptable to the public and the country. But it must, at the same time, be said to the lasting credit of India that her princes, ruling chiefs and all other classes and conditions of people down to the meanest peasants, have cheerfully placed

their humble services, their life and property at the disposal of the British Government, that her princes and ruling chiefs and other classes of people, besides offering their services and taking an active part in this titanic warfare, have been cheerfully contributing in different ways to the war funds, and to the funds started for the relief and comforts of the wounded; it is a source of great pride and satisfaction to India that her manhood have not shrunk from shedding their life blood on the battle-fields of Europe and Asia, fighting side by side, shoulder to shoulder, with their British comrades in arms. While we desire to share in the responsibilities, rights and privileges of British citizenship, it is no wonder that our youths should volunteer their services and sacrifice their lives in the cause of the Empire, in the cause of liberty and righteousness, and we are confident that a righteous cause will ultimately triumph.

"While the Empire is involved in this mighty struggle, which is taxing her resources to the utmost, when every rupee saved might be profitably utilised in the prosecution of this great war, there is no room for murmur, and this is hardly the time to ask for the customary doles of charity for the Local Governments. Now, with your Excellency's permission, I beg to offer a few remarks regarding the scheme of raising a new loan for the next year, with the conditions attached, of converting the 3½ per cent and 3 per cent. Government stocks into the same. This is, indeed, a novel idea based on the Home model. If liberal terms are offered, that is, if the conversion is allowed not on the basis of arithmetical proportion, but on terms sufficiently attractive, and the rate of interest be somewhat higher, I believe the proposed loan may be sufficiently subscribed. I may add that, in the present state of the money-market and of financial stringency, it is not possible to rehabilitate the present 3½ per cent. and 3 per cent. Government stocks in the confidence of the investing public, unless attractive terms are offered for their conversion. My Lord, I may remark, in passing, that several causes have combined to produce deterioration in the Government papers, which it is needless to dilate upon. Now, whatever causes might have operated to bring on this deterioration in Government papers, there is this outstanding fact that, with 3½ per cent. papers now selling at Rs. 80, and this coupled with the fact that the English sterling war-loans give much better returns, it is doubtful whether the proposed rupee loan at par, even with the scheme of conversion attached to it, will be sufficiently attractive, if the rate of interest be fixed at 4 per cent. I may add that a purchaser of 3½ per cent. paper at Rs. 80 will be a greater gainer than a subscriber to the 4 per cent. loan at par even with the attached tempting condition of being able to get his 3½ per cent. paper converted into a 4 per cent. paper. The question is beset with difficulties, and requires careful handling and deliberation specially in a country like India, where it is so difficult to raise money; another question which requires careful consideration is how to appreciate the present stocks, as otherwise, on the announcement of the new loan, they would go further down. The amount of 3½ per cent. loan is nearly 92 million pounds, and the conversion scheme can only touch a fringe of it; what becomes of the great majority? Would your Excellency's Government allow it to go further down? The two principal questions which require deliberate consideration and solution are these:—The first is at what rate the proposed new rupee loan should be raised, that is, should the rate of interest here be less than the interest offered by the Home Government? Second, what measures should be taken to arrest the further decline of 3½ per cent. papers, and what should be the terms of conversion, that is, on what terms should Government allow 3½ per cent. papers to be converted into the new loan arrangement? My Lord, my submission is that, in coming to a satisfactory solution of these difficult questions, your Excellency's Government will be pleased to convene, as on the last occasion, an informal Committee but on a somewhat wider basis, to which the representatives of the commercial and banking interests should be invited.

"With these few words, I would have concluded my speech, but, my Lord, considering that this is the last occasion on which we shall have the pleasure and the proud privilege of speaking in this Council Chamber, under your Excellency's presidency, I must say, as a result of my four years'

experience of this august assembly, that during this long period, we have had nothing but very kind and courteous treatment at your Excellency's hands. My Lord, this is not the time or place for dilating upon the details of your Excellency's administration, but I cannot altogether abstain from referring to one or two outstanding features of it, which will leave permanent foot-prints in the sands of time. The noble and magnanimous, but at the same time, firm and bold attitude your Excellency was pleased to display in the matter of the treatment of the Indian emigrants to South Africa, and that in the face of such strong opposition from the semi-independent colonists there, we cannot too sufficiently admire and be sufficiently thankful to your Lordship for the same. It would not be saying too much, when I say that we Indians owe a deep debt of gratitude to your Excellency for your persistent efforts and whole-hearted sympathy in the cause of the Indian emigrants, and it is due to your Excellency's recommendation and powerful advocacy that we shall at last have the abolition of the Indentured labour, which, I assure you, my Lord, will enshrine your name in the grateful hearts of a grateful nation.

"My Lord, sanitation and education have been the watch-words of your administration, not by words of sympathy alone, but by liberal and substantial grants, they have received an unprecedented impetus unknown before. Hostels, that is, well organised sanitary residences for students under the direct supervision of responsible authorities, have received such encouragements accompanied by liberal grants, that it may be said that there is now no college or madrassa in Bengal without a hostel being attached to it. Amidst the several noble deeds of your administration, the place of honour would certainly be assigned to the Act passed by your Excellency's Government creating the Hindu University, which will go to combine the honoured and ancient culture of India with the culture of the Western world—the crowning act of glory which will perpetuate your Excellency's name for ever.

"Before concluding, I must say a few words about the novel and noble, wise and thrilling experiment of organising and sending a very large expeditionary force from this country to fight on the battle-fields of Europe, side by side and shoulder to shoulder, with their British and French comrades-in-arms in a foreign land amid new environments and surroundings. The whole credit of this experiment, which aroused a keen sense of pride, a glow of enthusiasm in every Indian breast, which has been, on the whole, so successful, belongs to your Excellency. I need not dilate on its immediate effect, but I must say that its prospective effect would be very great.

"Lastly, I must say that your Excellency deserves our humble thanks, our special gratitude, for having sanctioned the formation of the Bengal Ambulance Corps who have covered themselves with lasting glory, have elicited high praise from the Commanding Officer, and thereby more than justified your Excellency's bold experiment. In this connection, I may say that, in spite of isolated acts of wickedness, the heart of the race is sound and beholden in ties of deep-seated loyalty, devotion and gratitude to the throne and person of His Imperial Majesty, our King-Emperor.

"With these few words, I most respectfully beg leave to bid a respectful farewell to your Excellency."

The Hon'ble Mr. Surendra Nath Banerjee:—"My Lord, I feel that I should not be doing justice to myself or to this Council if I did not say that the Budget has been received with mixed feelings—feelings of thankfulness that the poor man's interests have been largely conserved, feelings of regret that the poor man has been hurt in the matter of the salt tax. My Lord, the debates in this Council, the utterances which have appeared in the columns of our newspapers, have made it abundantly clear that the trend of public opinion is practically unanimous in the condemnation of the enhanced duty on salt. My Lord, I ventured to suggest from my place in this Council that perhaps the crisis might have been tided over and taxation avoided by a loan. My friend the Hon'ble the Finance Minister ridiculed the suggestion, and appealed for illustration to a character in a well-known work of fiction. My Lord, in this Council we

tread upon the sure ground of fact and not of fiction, and when I found my Hon'ble friend leaving this sure ground and wandering into the regions of romance, I felt within myself that he must have been convinced that his cause was hopeless, and that he had no arguments but an appeal to fiction to meet the difficulty.

"My Lord, regret has been expressed and universally expressed in the Indian Press that while the customs duties have been raised all round, the duties on imported cotton goods have remained unaltered. The Government of India have done their best in the matter, but the fact points to the conclusion that it is essentially necessary that India should speedily possess fiscal autonomy. It is a matter of regret that this question has not been referred to the Industrial Committee that has recently been appointed. But, my Lord, it seems to me that it will be impossible for that Committee to avoid facing this question, for it would be open to them in connection with any industry to say that for the purposes of that industry protection would be necessary. An accumulation of instances of that kind would surely strengthen the hands of the protectionists.

"My Lord, closely associated with the question of fiscal autonomy is the problem of the financial independence of the Provinces. Upon the financial independence of the Provinces rests the superstructure of provincial autonomy. We have been promised that boon by the great Despatch of 25th August, 1911, and, my Lord, I hope and trust that before long—at any rate, in the train of the readjustments that are inevitable after the war—this boon will be conferred upon us. My Lord, in this connection, I may point to a statement made in the 88th paragraph of the Financial Statement in which my Hon'ble friend the Finance Member says that a scheme of devolution in respect of Provincial finance is now under the consideration of the Government. My Hon'ble friend has not given us the details. Possibly he will be in a position to announce them next year, but I do hope and trust that it is not merely a measure of administrative convenience, but that it will be attended with a large accession of popular control. Decentralisation as such is more or less the devolution of power from officials to the officials. What we are anxious about is not so much administrative convenience as an increase of popular authority over Provincial finance.

"My Lord, some of my friends in this Council and around this table have said that our Budget is a War Budget, and that the taxes we have to pay are due to the war. I thoroughly associate myself with the observations that have been made by Hon'ble Members that the taxes which have been levied ought to be declared as war taxes, and I hope that my Hon'ble friend, when he rises from his place and takes the Council into his confidence, will be in a position to give us that assurance. They have been levied for war purposes, and as soon as those purposes have been satisfied and the wants have been met, these taxes should be discontinued. My Lord, every now and then we read articles in the newspapers and utterances made by our public men, to the effect that India has not made an adequate contribution to the war, or that her sacrifices have not been commensurate to the needs of the Empire or to her position in the Imperial system. The Hon'ble the Finance Minister traverses that position. He points out that our Armies are even now playing a very conspicuous part in the theatre of war; and he also adds that very considerable sums have been paid by India as war contributions. For instance, for the years 1914-15—the first year of the war—the services and the supplies amounted to ten million sterling; in 1915-16, the services and the supplies were estimated at 18 million sterling; and in 1916-17, the estimates rose to 20 millions. This is independent of the contributions of the Native States.

"My Lord, my friend the Hon'ble Rai Sitanath Ray Bahadur has referred to the Ambulance Corps in Bengal. I think we people of Bengal and of India, ought to be proud of the work of that Corps and the gallantry they showed under fire. The fact demonstrates the stuff that is in the people of Bengal and in the people of India. India presents a vast storehouse of military material which I appeal to the military authorities and His Excellency the

Commander-in-Chief to make the fullest use of. We have got men—men with splendid stuff in them; utilise them at the present moment in the service of the Empire by forming a National Militia, by enlisting them as volunteers, by enrolling them as members of Ambulance Corps. The needs of the Empire call for more men. Our people are as countless as the stars of heaven. Why not utilise them for a purpose which will be beneficial to the Empire and add to their sense of self-respect? I desire to make an earnest appeal to Your Excellency, and also to His Excellency the Commander-in-Chief, for the formation of a National Militia and the enlistment of Indians as volunteers. I hope and trust that this appeal will not have been made in vain. Do not for a moment distrust our loyalty. There may be fanatics and fools among us. Are there not fanatics and fools among all classes of the community in all parts of the world? But the heart of India is sound and loyal to the core. Of that we have afforded abundant evidence. Trust India; trust her fidelity and loyalty; trust her honour and devotion to the Empire, and you will obtain a force before which even the great power of Germany will quail. I speak with some little emotion on this matter, because I re-echo the sentiments of my countrymen.

"My Lord, to pass from this somewhat exciting subject to a matter nearer home, I desire to appeal to my Hon'ble friend the Finance Member to consider the case of the large number of poor holders of Government stock who are made to pay income-tax which afterwards is refunded to them. I have in view the case of widows and poor holders of Government stock ranging from Rs. 100 to Rs. 500. What happens, my Lord, is this. When a Rs. 500 Government security is presented at a public debt office for interest, the interest is paid after 10 or 12 days, but a deduction is made for income-tax. Income-tax is not due upon that security, but the public debt office assumes that it is, and the burden of proof is thrown upon the individual to show that he or she is not liable to exemption from income-tax. I do not think this is fair. In many cases no application is made for refund. To get back the money requires time and necessitates a lot of expense. I have mentioned this matter to my Hon'ble friend the Finance Minister, and I hope and trust he will give a sympathetic hearing.

"My Lord, I come back to that question which is very near to my heart, and I am sure it must be very near to the heart of all Bengalis. I am sure my two friends on my right and on my left, the Maharaja of Kasimbazar and the Maharaja of Nashipur, must feel very strongly about it, because they and their families are the greatest sufferers. I refer to the question of malaria. My Lord, I moved a Resolution in this Council which was accepted, directing the Local Governments to take vigorous measures for the prevention of malaria. My Lord, I then moved another Resolution for the grant of 6 lakhs of rupees to Bengal for the prevention of malaria. My Hon'ble friend the Member in charge did not see his way to accept the Resolution, but gave me the assurance that, if the Government of Bengal applied, the matter would be considered. My Lord, money is not our only difficulty. Our difficulty lies in the hopeless disagreement between doctors. We have got theories on the one side and theories on the other—a conflict of views between Dr. Bentley on the one hand and other doctors on the other; and the result is that little or nothing is done. My Lord, let not our energies be paralysed by this disagreement among experts. Something has to be done, and I hope and trust that something will be done. The prevention of malaria is intimately connected with the improvement of rural sanitation, and surely, as regards rural sanitation, there can be no difference of opinion as to the methods that should be employed. In Italy, they tried the system of Bonifacazione. It is a double system of irrigation and sanitation. The central idea is to deepen the water-channels and to elevate the soil. It is a system of agriculture and of sanitation combined with results that are extremely satisfactory. Why should not something of the same kind be tried here?

"My Lord, it is getting late, and I have no desire to take up more of your Excellency's time. I thoroughly associate myself with the observations that have fallen from Hon'ble Members in regard to your approaching departure

from this country. My Lord, this is the last meeting of this Council when you will preside over our deliberations. To-day's business over and this Council will know you no more. Your Excellency's administration has been rich in measures that will place you in the forefront among Indian Viceroys, by the side of a Bentinck, a Canning and a Ripon. My Lord, this is not the place nor is it the time, nor is it for us to review the events of your administration. That must be reserved for the future historian of India. But, my Lord, contemporary opinion furnishes the raw material upon which history bases its judgment, and contemporary opinion has pronounced its verdict with unerring emphasis. Contemporary opinion declares that you are one of the greatest of Indian Viceroys, and that in the muster-roll of Viceroys you will always continue to be one of the greatest. The modification of the partition of Bengal, the settlement of the Cawnpore Mosque controversy, the abolition of indentured labour, the vindication of our rights as equal subjects of the Crown of which no more striking illustration can be found than the despatch of Indian troops to fight on European battle-fields, are measures which have strengthened and deepened the foundations of British rule in India, and have broad-based it upon the gratitude, the affection and the happiness of the people. My Lord, if to-day India is loyal and peaceful, resolved as one man to fight and die, if need be, for the Empire, it is largely due to your Excellency's wise and beneficent statesmanship, to your fulfilling in the every-day policy of your administration, the gracious message of hope and faith delivered to your Excellency and to the people of India by our august Sovereign.

"My Lord, we bid you farewell. We know that India will occupy a place, a very large place, in your affections, and that you will continue to feel an ever-living and an abiding interest in the welfare of that land whose peoples you have loved so well. My Lord, the greatest honour which a subject of the Crown can have has just been bestowed upon you by our august Sovereign. But, my Lord, what are crowns, what are diadems, what are earthly honours and possessions, comparable to the profuse and spontaneous love of a great people. That love is yours as the reward, the precious reward of your devoted service to the people of India, services rendered under trials and tribulations which have deepened their value and have enhanced the love of my countrymen for the great Viceroy who is now about to retire from his exalted office."

The Hon'ble Mr. Ghuznavi:—"My Lord, apart from the few observations which, with your Excellency's permission, I desire to make with regard to the Budget, the thought which is uppermost in my mind to-day is, that this is the last occasion on which your Excellency will preside over the deliberations of this Council in this historic city of Delhi, which fortune has again raised to Imperial importance. It would, therefore, have been unpardonable on my part if I had missed this opportunity of giving public expression to our gratitude for the manifold benefits which my community has derived during your Excellency's *regime*.

"For a long time past the Mussulman employés of Government had been suffering the greatest inconvenience, if not actual hindrance, in the performance of their Juma prayers. The leave to say their prayers between the hours of 12-30 and 2 P.M. on Fridays depended in all Government offices on the sweet will and pleasure of the officers in charge. Your Excellency, however, has shewn the utmost consideration for the religious feelings and obligations of all the different communities committed to your charge, and when I had the honour of bringing this matter to the notice of your Excellency's Government, no time was lost in redressing this just grievance.

"The list of public holidays under the Negotiable Instruments Act was conspicuous in certain provinces, notably in Bengal, for the absence of any Moslem holidays, such as 'Idul-ul-Fitr, Idul-uz-Zuha, Moharrum and Bar-i-Wafat.' This question affected not only the Mussulman merchants, but millions of Mussulmans who are employed in merchants' offices, banks, mills, factories, docks and all such business centres. Furthermore, the very fact of the

total omission of Moslem days of religious festivals from the list of public holidays in certain provinces, affected the prestige and status of the Mussulman community.

"It has been during your Excellency's *regime* that the first three days have now been included in the list of public holidays of Bengal, and I trust our prayer for the inclusion of the 4th, *viz.*, 'Bar-i-Wafat' will yet be heard.

"Since the establishment of British Raj in this country religious instruction suitable to Mussulman boys has been divorced from all educational institutions patronised by Government. When I approached the late Member for Education on this subject, it was under your Excellency's guidance that Sir Harcourt Butler issued the circular letter dated April 3rd, 1913, to all Provincial Governments, on the subject of education in general and religious instruction in particular which will now bear fruit inasmuch as facilities for religious instruction will ere long be provided in all schools receiving Government grants.

"Your Excellency has bestowed no less sympathetic thought on the question of the removal so far as possible of the hardships which pilgrims to the Hedjaz have to undergo in the performance of their sacred Haj, and had there not been this unfortunate war, I am quite sure this question too would have been solved to a great extent under your Excellency's care.

"During the commencement of the war when solicitude for the welfare of Indian pilgrims, generally, prompted His Majesty's Government, on hearing that there was a shortage of foodstuffs at Jeddah and Mecca, to arrange for the supply of 30,000 sacks of barley destined for the pilgrims, the Turkish authorities in spite of the protest seized the same for military purpose. Yet such has been the magnanimity of the British Indian Government that on learning that the Indian pilgrims have been recently reduced to great straits on account of scarcity of foodstuffs at Mecca, that permission has again been given for the shipment of 60,000 bags of rice, 8,000 bags of dhâl and 2,000 bags of sugar from Calcutta for which the entire Mussulman community have reason to be deeply grateful.

"When Moslem feeling ran high over the regrettable Cawnpore mosque incident, it was your Excellency who at great personal inconvenience himself went down to Cawnpore and brought about a happy solution, which otherwise would have stirred Moslem passion to a dangerous degree from the Himalayas to Cape Comorin.

"These instances, my Lord, are but a few amongst the numerous benefits that the Mussulman community in particular have derived at your Excellency's hands. I am sure, I am only voicing the general opinion of the people of India as a whole when I say how greatly we appreciate, and how deeply we are grateful for your Excellency's liberal instincts, and how responsive Indians are to good work done and a generous policy adopted. It is only men of strong individuality and liberal instincts such as your Excellency, who can overcome narrow obstructions to progress and advance the real and permanent well-being of the people. Your name will be enshrined in our hearts and will go down to posterity as one of the greatest Viceroys of India.

"Before going on with my observations on the Budget, I should just like to say one word more with regard to the leave for Juma prayers. Although this privilege has now been extended to all the provinces of India and Burma, yet in some places, such as Calcutta, the litigant public in some of the highest offices are withheld from exercising this privilege and discharging their religious obligation simply on account of the idiosyncrasies of some of the presiding officers. I trust, however, Government will take steps to see that this privilege may not thus be withheld.

"My Lord, I desire to congratulate my friend the Hon'ble Sir William Meyer on his cautious financial policy and the Budget which he has prepared. The situation brought about by this unparalleled war is beyond doubt, most distressing and quite unprecedented. India under the circumstances could not

possibly escape extra taxation. Last year when a similar deficit was budgetted, the Hon'ble the Finance Minister resorted to the temporary expedient of borrowing and did not rush to extra taxation as many outside this Council were clamouring for. The circumstances occasioning this deficit were peculiar and temporary. It was expected then that the war would not last so long, and therefore temporary ways and means were preferred to additional taxation. The situation to-day has completely altered, hence temporary borrowing to cover the deficit cannot solve the difficulty. Borrowing therefore is out of the question. Hence additional taxation is thus indispensable. India has to provide for her own requirements without external assistance, and it is indeed a great relief that my Hon'ble friend in devising his ways and means has just cast his net where it ought to have been thrown. The only extra taxation to which the country can take exception, is the new salt tax which is likely to bring in £600,000. As the estimated Budget is calculated to produce a surplus of a million, the increased salt tax would scarcely seem necessary; particularly as taxation for the mere sake of obtaining a surplus is hardly fair. But we must bear in mind that the situation brought about by the war is really extraordinary, and there is no knowing that an unusually heavy demand will not fall all on a sudden on the shoulders of the State. I am, therefore, disposed to agree with my Hon'ble friend that, in the present condition of things, a reasonable surplus must be provided for. I would however ask my Hon'ble friend to give us an assurance that, as soon as the extraordinary condition ceases to exist, this extra tax on salt would be repealed.

"My Lord, in the course of my Budget speech last year, I ventured to say that we all hoped that no contingency would arise that would make fresh taxation necessary. Should it arise at any time, I trusted my Hon'ble friend would allow me to make some suggestion as to the direction such additional taxation might take, and I added that the only additional taxation that might be imposed without affecting very much the teeming millions of this country would be an additional tax on income. I am, therefore, very glad to find that my friend has after all adopted my suggestion.

"Last year after the Budget meeting was over, my Hon'ble friend came in for a round of abuse from certain quarters for his lack of patriotism and so forth in not imposing additional taxation. It is not therefore a little humourous to find that missiles have been thrown at my unfortunate friend from the same quarters this year for imposing additional tax on income, tea and jute. But I am sure my friend has provided himself with a coat of mail so that these missiles will do him no harm. The additional income-tax will only affect 37,000 assessees out of a total of 332,000. Of these, 24,000 will pay only one extra pie in the rupee, and the 13,000 extra six pies Surely those who occupy positions of comparative ease and affluence have no right to grumble if they have to pay a few rupees in the interest of an Empire which assures them peace, comfort, internal tranquillity and freedom from external aggression.

"My Lord, I would again urge this year as I did last year the claims of my community for a preferential treatment in matters of education. For, although considerable progress has of late years been made, my community is still hopelessly and woefully backward. It is impossible to exaggerate the extent to which education of the right sort is needed for the development of the moral and material prosperity of India. It is pre-eminently the chief work to be done by the State. Education was indeed the starting point of each and every enterprise to be taken in India. The late Mr. Gokhale made it a cardinal point in his public life to urge for the adoption of free and compulsory education in India, and if, as a result of the new awakening after the war to which we all look forward, a policy of free and compulsory education was gradually adopted by Government, Government would be laying a very solid foundation for future progress in all directions and would win our lasting gratitude.

"My Lord, I would once more draw the attention of this Council to the alarming spread of the drug and drink habit in India. This evil has been steadily growing during the last few years, and has now reached an enormous

magnitude. During recent times the excise revenue has gone up by leaps and bounds. During the last decade excise revenue has more than doubled itself. Roughly speaking, it has risen from 5 and odd crores to nearly 13 crores. In Bengal, although there are signs of a slight falling off in the excise revenue since the outbreak of the war, yet it is scarcely to be expected that this falling off would continue. So long as the licensing function remains with the revenue authority and the principle of local option is not largely given to the people, no tangible result can be expected.

"My Lord, it is a genuine pleasure to me to find present amongst us to-day our gallant Colleague the Hon'ble Captain Malik Umar Hyat Khan, the premier Moslem soldier who, in conjunction with another Colleague of ours, has maintained our reputation on the battlefields of Europe. The spontaneous outburst of Indian loyalty during this unparalelled crisis has been no less a source of gratification to us as surprise to our enemies. The great withdrawal of troops from India was proof of the general trust and confidence which could safely be reposed in the loyalty of the Indian people. France is striving might and main to rouse the enthusiasm of her Indian citizens by offering to enrol them in the Volunteers Corps on equal terms with Frenchmen in Paris. Her efforts in this direction are also believed to have proved fruitful and stimulated the enthusiasm of classes hitherto regarded as timid and non-martial. Hence we all fervently look forward to the time when such disability as we suffer under the Arms Act would no longer exist. That at least no preferential treatment in matter of gun licenses would be meted out to European aliens; if the Arms Act were still to remain on our Statute-books, then it should be made alike applicable to Europeans and Indians.

"My Lord, one word more and I have done. When your Excellency is away from these shores—the shores you have loved so well and to the people of which you have endeared yourself so much—I trust we shall still occupy a large portion of your Excellency's thoughts, and that you will still interest yourself in our welfare, and that it will not be a case of '*Loin des yeux loin du coeur*' but '*Loin des yeux mais pres du coeur.*'"

The Hon'ble Sir Ibrahim Rahimtoola:—"Your Excellency, I agree with those speakers who have stated that the Budget for the ensuing year is a War Budget. Anyone who glances at the military expenditure during the last ten to fifteen years will find that the increase in the military expenditure in consequence of the war has been one of the principal factors in producing a deficit in the Budget. In 1902-03, the net military expenditure was well under £18,000,000; in 1903-04, it was a little more than that figure. In 1904-05, it rose to £20,500,000; it was still within £20,000,000 from 1905-06 to 1913-14; in 1914-15, it was £20,500,000. Since the outbreak of the war, it has risen to £22,500,000. If I mistake not in the Financial Statement the figure was £22,000,000, but it has since been increased in the Revised Estimates to £22,500,000; so that there has been an increase of from £2,000,000 to £2,500,000 in the net military expenditure in consequence of the war. In drawing your Lordship's attention to these figures, it is not my intention to offer any criticism against this increased expenditure. As I stated on previous occasions when the Budget was under the consideration of this Council, I wish to give the Government *carte blanche* in the matter of the expenditure which they consider necessary to carry on the administration of this country. The reason why I have referred to the subject is to express the hope that, when the war has been carried to a successful conclusion and peace is restored, the increased military expenditure will not form a permanent addition to our expenditure. My Lord, in connection with this I should like to point out that the manner in which India has behaved during the war furnishes us with a strong reason why our permanent military expenditure should not be increased to any higher standard than what existed before the war. The Government of India's administration of this country has proved that, while a large part of our permanent Army is fighting the battles of the Empire in various parts of the world, and the number of soldiers in India has

been considerably reduced, peace and order have been well maintained. My Lord, I think that it is one of the highest compliments that can be paid to your Excellency's administration, that at a time like this, India has shown unswerving loyalty to the British Crown. I earnestly trust, therefore, my Lord, that when peace is restored, this question will be carefully considered and no additional burdens will be imposed upon the revenues of the country in the direction of military expenditure.

"My Lord, it is the fashion now-a-days to suggest to the Hon'ble the Finance Member—some of my Colleagues have taken the opportunity of doing so—various directions in which additional taxation should be imposed. I will only say that when the Hon'ble the Finance Member is considering next year the various suggestions which have been made by the Hon'ble Mr. Stewart, he will not forget, what curiously the Hon'ble Member himself has forgotten, the huge war profits which the jute manufacturing industry has made. In England, my Lord—and we are always preached to follow the English example—they have imposed a duty of 50 per cent. on war profits. The jute manufacturing industry has made huge profits, some of their ₹100 shares are now quoted at over ₹500. If any industry has prospered enormously in consequence of the war, and from which a portion should be taken as war profits, it is the jute industry My Lord, I am correcting the omission which my Hon'ble friend Mr. Stewart made in indicating a source of revenue which may well be tapped instead of raising rates on passengers or goods carried by our railways. In spite of what has been said about trade profits, I remain unconvinced and still hold that railway revenue is indirect taxation. The additional charge of even one anna, which appears very insignificant in the eyes of some people, is a heavy burden on the poor third-class passengers. If more revenue is needed, surely there can be no justification for not imitating the policy adopted in England of taking a share of the huge profits which have been made in consequence of the war.

"My Lord, in conclusion, I will only say that this country parts with regret with your Excellency. I do not wish on the present occasion to add anything beyond saying that I entirely associate myself with the sentiments of appreciation to which my Hon'ble Colleagues have given expression."

The Hon'ble Khan Bahadur Mian Muhammad Shafi:—"My Lord, with the unparalleled world-conflagration still ablaze and its disastrous effects still continuing to cripple international trade and internal development, it was inevitable that this year's Indian Budget should bear the impress of abnormal financial conditions. In fact, it speaks well of our country's resources and of the care and vigilance with which they have been husbanded that the total Imperial and Provincial deficit, in itself not very large in view of the extraordinary circumstances, is, according to the revised figures for the current year, much less than it was originally apprehended. Your Excellency's Government have decided to make up this deficit by the imposition of an enhanced income-tax on the wealthier classes, European and Indian, and by the introduction of certain fiscal changes consisting mainly of substantial modifications in our import and export duties. This scheme of additional taxation, though by no means entirely free from objection, is, on the whole, so discriminately conceived and its incidence is so well and equitably distributed as to have won, more or less, general satisfaction. And in the adoption of these extraordinary measures your Excellency's Government have been loyally supported by the Non-official Members of this Council who have, in no grudging spirit, fully recognized that in this grave world-crisis with which we are face to face, it is the paramount duty of our countrymen not only to share, in every possible manner, the burdens of the Empire, the citizenship of which we regard as our proudest possession, but also to contribute all that lies in their power towards bringing this terrible war to a successful conclusion.

"My Lord, right royally has loyal India responded to the trumpet-call of duty at this most critical juncture in the Empire's history by incurring

willing sacrifices of blood and money—sacrifices which are bound to leave their indelible mark on the future history of the British Empire, and are calculated to vastly strengthen the bonds of union which link its various parts together, removing misunderstandings, dispersing clouds of distrust, and creating a new spirit of fellow citizenship which will, in the end, redound to the glory of the Empire and prove, in the highest degree, beneficial to mankind in general. We in the Punjab feel what cannot but be regarded as a perfectly legitimate pride that our martial races, as well as the other classes of our people, have borne the lion's share of Indian efforts in upholding the honour and glory of the Empire, and in vindicating the sacred cause of righteousness and civilization. Our province has provided more than one-half of the Indian heroes who have written their country's name in letters of blood on the battle-fields of three Continents. More than 50 per cent. of the entire numbers of recruits who have enlisted in our Indian Armies since the outbreak of this unparalleled war have been drawn from the land of Five Rivers. It was, indeed, in the fitness of things that the province one district of which, *i.e.*, Jhelum alone, has given to the Indian Army a larger number of brave and heroic soldiers than the entire Presidency either of Madras or Bombay, should, on this critical occasion, have come forward, cheerfully and loyally, to bear the brunt of the Empire's battles and to add to the undying fame of its martial races under novel conditions of modern warfare. And our civil population have not lagged behind in proving to an astonished world how deep is the love and attachment which binds them for all time to their King-Emperor. They have freely given of their best to the various Relief Funds, Imperial and Provincial, started since the outbreak of the war, and have set a noble example to the rest of India by presenting to the military authorities a fleet of aeroplanes, the fund for which already exceeds in amount the whole of the Over-seas Aeroplane Fund.

"My Lord, even as the darkest cloud has its own silver-lining, this terrible world war has demonstrated beyond a shadow of doubt, the wonderful solidarity of the British Empire, to the utter astonishment of our foes and the profound delight of our friends. A new spirit of comradeship born on the European, African and Asiatic battlefields, a new feeling of partnership arising out of common efforts and common sufferings has begun to pervade throughout the different parts of Greater Britain, which will prove a source of increased strength and abiding vitality to itself. And in India, it has heralded the dawn of a new era of official and non-official co-operation which has filled the hearts of all sincere well-wishers of the country with bright hopes for her future. I see above the distant horizon signs of the complete break up of those dark clouds of distrust and misunderstanding which have hitherto often kept the two classes at arm's length from each other, and presently the glorious rays of mutual understanding and good-will shall break through the dark clouds, flooding the high peaks of the Himalayan range and the broad valleys of the Indus and the Ganges with the bright effulgence of a common Imperial patriotism which will raise India to her legitimate and proper position in the greatest Empire the world has ever known.

"My Lord, with the close of the current financial year will terminate the period of your Excellency's high office as the august representative of our King-Emperor in this country. By your far-sighted statesmanship, your fearless championship of India's claim as a partner in the glorious Empire of Greater Britian your noble support of the cause of education and sanitation; your successful advocacy of the right of our Indian Army to defend the honour and uphold the glory of the Empire along with their British and Colonial comrades on the battlefields of Europe, and your loving solicitude for the welfare of 310 millions of your fellow-beings whom a wise Providence has placed under the fostering care of the British Raj, you have not only won for yourself a unique place in the hearts of our people, but have also greatly strengthened the political connection between England and India. And the prospect of India's representation on the Imperial Conference, the thin end of the wedge driven into the wooden barricade of Free Trade by the Indian Tariff Act, the appointment of the Public Services Commission and now of the Industrial Commission, the noble and

inspiring ideal, however distant its realization, sketched by your Excellency's Government in the famous Despatch of 25th August 1911, and, above all, the new political atmosphere created by your sympathatic *regimé* have set our heart-strings vibrating with hope and confidence for the future of our country. In my province of the Punjab, we are deeply grateful to your Excellency and to His Honour Sir Michael O'Dwyer for the recent expansion of our Provincial Legislative Council to almost its full statutory limit. And though in spite of its great political importance as the backbone of the British Raj in India and of its phenomenal educational and material progress, the stigma, absolutely undeserved, of being a non-regulation province with an inferior Judicial and Executive machinery still attaches to the Punjab, it is not for want of effort on your Excellency's part to remove this glaring injustice at least in respect of the elevation of our highest judicial tribunal to the status of a High Court.

"My Lord, on your return to England, your Excellency is destined to play a leading part in Imperial affairs. Whatever the exalted position in which it may please God to place you, your Excellency will carry with you the prayers of His Imperial Majesty's grateful Indian subjects for a happy and prosperous life. May we express a hope that in the midst of whatever high and responsible duties may occupy your time and energies, your Excellency will continue to take some interest in the future welfare of India and of her peoples, and to plead their cause in the inner Imperial Councils where your opinions are bound to carry weight and your voice listened to with respect and attention."

The Hon'ble Mr. Abbott:—"My Lord, I beg to be allowed to associate myself with my Colleagues in congratulating the Hon'ble Finance Member on the clear and able Budget he has presented to this Council. My Lord, your Lordship's impending departure from India will be a sad blow to us, but we hope your Excellency will find in your retirement that rest and comfort which your heavy duties of office and private cares have denied you. It will also be a source of great satisfaction that under your rule India has made steady and very considerable advance in so many branches of human activity.

"My Lord, the Budget, I am gratified to see, provides for the necessary enhancement of taxation, and neither the public nor the press has expressed any serious complaint against the provisions made. In fact, it is on all hands acclaimed as 'poor man's budget.' Notwithstanding, that, much has been said and written against the enhanced tax on salt, but if the objectors had gone into the question at all, it would have been obvious that the slight enhancement works out to an incidence on the poor of about half a pie or one-sixth of a farthing per mensem. Now, my Lord, that will not be an insupportable burden and will be a mere bagatelle compared with the taxation on the poor in the Home Country. Even the very poor welcome the enhancement as enabling them to give their little something towards the needs of the Empire, and my information leads me to believe that even a greater enhancement would have been received cheerfully. My Lord, I regret the taxation on tea is not so free from complaint. The feeling is that the tax will lead to the capture of our markets by foreign teas. It is felt that the larger revenue required, instead of being provided for by the increased taxation on tea, could have been easily secured by a small death-rate levied on the estates of the rich, just as the death rate of Britain provides an important contribution to the Home Exchequer.

"My Lord, turning from a very incomplete survey of the Budget, I beg to avail myself of the time-honoured privilege afforded on this day to Members of this Council, and to speak of the needs and legitimate aspirations of the Domiciled Anglo-Indian community whom I have the honour to represent. To begin with, my Lord, I beg to offer a most sincere expression of the deep sense of gratitude felt by me and the Anglo-Indian community towards your Excellency, His Excellency the Commander-in-Chief and all the Members and Secretaries in charge of the Departments of your Excellency's Government for the many acts of kindness and sympathy extended to the furtherance of the community's needs. My Lord, in the times

through which we are passing it is not my intention to bring forward all our grievances, but I feel that I would be betraying the trust imposed in me were I to remain silent regarding our most pressing need—that there is no representative of the community in the Presidency and Provincial Councils. In pressing for the early consideration of this question, the Anglo-Indian community feels that it is not asking for anything exaggerated or illusory, but only for that which is granted to all other communities, and for that which the Anglo-Indian community, having its home here, has a natural right to expect for its protection and its advancement. I beg therefore that your Excellency's Government will take up the favourable consideration of this question.

"My Lord, when I entered this Council three years ago, I felt that the chief disability under which the Anglo-Indian community laboured was the bar to the enlistment of Anglo-Indians in the British regular army. I felt that, however else the community might progress, this disability was working like a cancer, because the community felt that it was unjustly kept from rendering military service—the heritage of British blood in its veins. My aim was to ask for the removal of this bar sinister. I was told on all sides, even by many Anglo-Indians, that it was impossible, and that my ideas on this subject were doomed to dismal failure. In spite of these forebodings, but with the sympathy of your Excellency's Government, I have worked incessantly towards the realisation of my hopes. Two days ago, my Lord, the Adjutant-General handed me a copy of the pamphlet I have here in my hand which contains the conditions upon which the Anglo-Indian force recently sanctioned may be raised. The bar sinister has been lifted, and we have been given our Magna Charta. For this and other favours I have already tendered to your Excellency's Government the most grateful thanks of the community, which is determined to prove further that small quantities of good service are better than tons of profession. As an instance, I may submit the case of my own employés. One of my secretaries has informed me to-day that all my Anglo-Indian managers and assistants, 20 in number, have applied urgently to be allowed to join the new force as privates. This is in addition to the 7 who have already joined the Army or gone to the front, and I shall sanction their request. This will cripple my business and in any case reduce it to a state of chaos for a considerable time. But what does that matter? I am the happiest man in India to-day. Complete success, however, appears to be questionable owing to the inherent difficulty in the scheme that recruits have to await the permission of their superior officers to enlist. This leaves a loophole for shirking by unwilling though able-bodied men, who, I trust, will be in a small minority, and for employers of willing men who may stand in the way of their employés for personal reasons and not in the public interests. In conclusion, I would crave, therefore, that your Excellency's Government will be pleased to issue a circular to all concerned, including railway, police and other administrations, enjoining the necessity for promptly setting free all men serving under them who may desire to join the Anglo-Indian force."

The Hon'ble Mr. Setalvad:—"Your Excellency, on this occasion we are supposed to discuss the Budget, but by some time-hallowed tradition of this Council Hon'ble Members speak on most matters absolutely unconnected with the Budget, not excluding questions like infant mortality and Muhammadan holidays. I could have indulged, your Excellency, in a great many matters unconnected with the Budget, as various Hon'ble Members have done; I could also have dilated on matters more intimately connected with the Budget. But the hour is late, and we are all very anxious to hear the pronouncement of your Excellency. I will not therefore detain the Council beyond associating myself with what has fallen from various Hon'ble Members about your Excellency's approaching departure, and I beg most respectfully to wish your Excellency all prosperity and happiness in your native land."

The Hon'ble Mr. Rama Rayaningar.—"My Lord, the Hon'ble Sir William Meyer has fully maintained in the Budget under discussion that

high standard of finance administration for which he has earned so great a reputation. He is alert to the exigencies of an uncertain and trying situation. His arrangements are dictated by great prudence, and it will be unfair to deny him all praise for their soundness. I am glad that the Hon'ble Finance Member notes with satisfaction the curtailment of expenditure in Madras. I am also glad that special allotment has been made for the revision of village establishment in that province.

"My Lord, provision must have been made for the bifurcation of Ganjam and the Agency tracts of the Madras Presidency into Uriya and Telugu districts. The Uriya-speaking people of the Madras Presidency form a race with distinct language and noble traditions. They are now merged in a Telugu unit where they have no chance of development. They complain they are greatly handicapped by the predominance of the Telugus. The complaint is well founded and long standing. Sooner or later the bifurcation must take place. The sooner it does the better for the Uriya people.

"My Lord, there is one significant note in the Budget which might create some uneasiness in the public mind. The Hon'ble Finance Member states that one of the results of the war will be that our military expenditure will be increased in future. This is a point upon which a clear expression of public opinion is necessary. In connection with the war, there is a perfect unanimity among the people that a reasonable proportion of the cost should be charged to India. The temporary burden we are all willing to bear. But when it comes to the question of a permanent addition to our military charges, the matter is different. The case would require the most careful examination. The military arrangements are certainly to be made by the military authorities, but the people have a right to have their say about the broad features of the situation. As pointed out by Lord Salisbury, military efficiency must be relative. In other words it must be determined according to the military requirements as warranted by the fiscal position of the country.

"The war, my Lord, must have made it clear, that a change in the military policy of this Government is necessary. The people have so long been excluded from all association with the defence of the country both internal and external, and the result is that in this hour of trial of the British Empire, in spite of her teeming millions and her earnest desire to share in the heat and the burden of the day, India is unable to put on the field an army in proportion to the magnitude of the operations. We have no militia: the Hindus and Muhammadans cannot serve as volunteers; recruitment is exclusive, and whole classes are left out. The cumulative effect of these causes is that the martial spirit of the general population is dead; it is decaying even among families heretofore connected with the military profession. This is a condition of helplessness which cannot redound to the credit of the Administration. We earnestly hope the lessons of the present war will produce a change of policy. My Lord, some scheme of national militia on the lines suggested by my friend the Hon'ble Malik Sahib should be formulated. Will not Government find it expedient to admit Indians freely into Volunteer Corps, and to organise under proper safeguards a national militia to be called up in the hour of need?

"My Lord, the suggestion of throwing open the commissioned ranks of the army to Indians of proved merit and respectability, claims the sympathetic consideration of Government. Cannot Government utilize in the service of the Empire the dormant martial spirit of the great aristocratic houses? The junior members of these families spend their time in idleness. That there is good material in abundance among the landed classes will hardly be disputed. Why then commissions in the army should be withheld from them? These are difficult problems. But it cannot be that the high-minded British statesmanship will be unable to find solutions for them. The defence of the present system of exclusion on the ground of caste and race distinctions is extravagant and unconvincing. Are not armies efficiently maintained by the ruling princes? Are the people of those states free from caste and race distinctions? It is time, my Lord, a departure should be taken in the suggested

direction. Through your Lordship's benevolent policy and noble initiative, a substantial improvement is perceptible in most of the departments of the Administration. Your Lordship has taken throughout your Vicereegal career a keen personal interest in the matter of education and sanitation, new schools and colleges, nay new universities are coming into existence. More dispensaries and hospitals are being opened. Improvement of the indigenous systems of medicine is receiving Government attention. Larger grants have been made for the advancement of education, sanitation and the other local needs. These departments have been made the portfolio of the Indian Member of the Imperial Government. Their financial future finds guarantee in the Hon'ble Finance Member's recent statement in connection with his proposal for revising the rate of income-tax on higher incomes that—

'after the war further funds will have to be provided for such beneficent purposes as the improvement of education and sanitation.'

The Agricultural Department is doing excellent work, and with larger employment of qualified Indians in the service its usefulness will appreciably increase. The railway policy of Government has been liberalized and the nationalization of railways is being considered. The grants for irrigation works have been maintained. Protection has been afforded to some of our industries by successive amendments of the Indian Tariff Act. Through the Finance and Currency Commission, the Public Services Commission, and the recently appointed Industrial Commission your Lordship has sought to place Indian finance on a sound basis, to enlarge the scope for employment of Indian talent and to secure a rapid development of our manufacturing industries. To facilitate the supply of labour for the development of indigenous industries, and more than that to save India's honour abroad, your Lordship has set your eye upon the abolition of indentured labour. In the midst of all this many-sided improvement, in the Military Department alone the organisation continues conservative and exclusive. It is necessary that the military policy, too, should be liberalized to bring about an all-round development in the economic progress of the country.

"As has been observed by my friend the Hon'ble Sir G. M. Chitnavis, my Lord, it is highly desirable that Government should undertake a thorough inquiry into the present economic condition of the people. The importance of the subject cannot be over-rated. There is a sharp conflict of opinion between Government and the public about that condition. It is far better we know where we really are, and it is time that the question should be set at rest by conclusions based upon the result of an unprejudiced public inquiry.

"My Lord, after the acceptance of the Resolution recommending the appointment of a Jail Commission, we naturally expected Government would take immediate action ; but full two years have passed without any steps being taken to hold the necessary investigation. It can well be believed that, but for the war and the expectation that it would come to an end shortly, Government would not have continued inactive. But since the war promises to last much longer, it would be disappointing to have this very important matter of Jail reform held up indefinitely. The Civil Administration has to go on in spite of the war. It is inconvenient to delay reforms of an urgent character. The cost of the Jail Commission will not be large. Even if it were, the extra expenditure would have the support of public opinion. We are budgetting for a large surplus A portion of that could certainly be applied to this very useful and necessary purpose. I, therefore, earnestly hope Government will be pleased to appoint the promised commission at an early date. It will be a fitting sequel to your Excellency's enlightened administration.

"My Lord, to-day for the last time your Lordship presides over this Council. And what a painful idea that is to us! My Lord, you have really befriended us. You felt with us. You fought for us. You spared no pains to better our interests at Home and abroad, and to secure for us a dignified place in the Empire.

'A Government national in spirit though foreign in personnel''—was the late Hon'ble Gokhale's ideal—a Government which subordinates all other considerations to the welfare of

the Indian people, which resents the indignities offered to Indians abroad as though they were offered to Englishmen, and which endeavours by all means in its power to further the moral and material interests of the people in India'

was his dream. My Lord, in your Viceroyalty the dream of the departed patriot was, I venture to think, well nigh realized. You have rendered a great and glorious service to our country, and you have secured for yourself an abiding place in the hearts of our people. It is a source of immense gratification to us to learn that His Imperial Majesty has recognized your Lordship's great and glorious services by conferring upon you the highest honour, the Knighthood of the Most Exalted Order of the Garter, while yet you are in the midst of your labours. We most respectfully congratulate you. May God bless you, my Lord."

The Hon'ble Mr. C. Vijiaraghavachariar:—"My Lord, the Budget has been called a Taxation Budget and also a War Budget. Taxation Budget it certainly is, but I doubt very much whether it is a War Budget, except perhaps for a mysterious formula framed and bestowed upon the Government of India from Whitehall which takes away more treasure from us and gives us none, during this crisis, in return. The Budget itself, I must say, embodies solid principles of justice and impartiality. I do not believe that the new fiscal provisions have been adopted as a temporary measure, and they ought not to be a temporary measure in my opinion, except in so far as they relate to the salt tax.

"Although it is considered a political heresy to take the country and the Non-official Members into confidence in advance in preparing Budgets, a Retrenchment Committee might have been appointed before the present Budget proposals had been formulated. If such a Retrenchment Committee had been appointed, it could have shown in what way public money could be saved now. I can point out three directions in which this could be done.

"One has relation to the expenditure in the Telegraph Department. I believe that part of the expenditure in the Telegraph Department is both illegal and unjustifiable in public interests. Reuter in his own name, and, I have reasons to believe, under an alias, is drawing enormous sums of money from the public treasury, Imperial and Provincial, without being entitled to the same. I venture to submit that a most cursory investigation would disclose that the practice obtaining in this connection is clearly illegal. It is illegal because it violates the International Convention, and it is in defiance of the law and rules existing in the country on the subject. And I could point out that in this connection one important article, growing in volume and circulation, is in the free list needlessly at the expense of the tax-payer. Long speeches are telegraphed by the agency at the tax-payer's expense under the name of 'Press concessions.' I really cannot see any reason why all these speeches should be sent by wire and not by post. Occasionally unspoken speeches are telegraphed too, and the lines are blocked up to the serious injury of the interests of the mercantile world and of the general public. Now the one article which is exempt from taxation, *i.e.*—vanity—ought to be made to pay for this. I venture to think that, if the concessions for the press telegrams relating to speeches are withdrawn being not quite legal always, the vanity of the speech-makers or their admirers would be taxed to the relief of the tax-payer and also of the press. If a Retrenchment Committee had been appointed, it would have shown how improper it is to continue the whole of the expenditure in this department. Throughout the country officials are now receiving subsidized private telegrams, absolutely unnecessary, only a few hours before the public see them in the Press. Unless they are called upon to take immediate action as to which State telegrams would be more suitable, it is of no great use to them except to have their chat in the clubs the previous evening. I see no reason why this practice should be continued. Very often it makes only a difference of a few hours, and for the sake of a few hours, Reuter gets not only money he is entitled to, but he also gets money he is not entitled to, in my opinion. In this way he makes enormous profits at our expense.

"Then I come to the expenditure in the Postal Department. The Hon'ble Mr. Stewart said it is better to tax third class railway passengers as a war measure. I would rather that you taxed the whole public by means of postal rates. It is needless to give us 10 tolas for one anna for letters. I think it ought to be reduced at once. In England, I believe—I do not know if it has been actually done—but I believe a proposal has been made to raise postal rates recently. I think the allowance of ten tolas for one anna for letters is not called for in public interests, and it ought to be reduced to two tolas as the best.

"Then we have grants for Universities which are needless at present for the proposed Patna University, the Dacca University and the Rangoon University. Why these lakhs of rupees should be allowed to lie idle long before the schemes can be matured I do not understand. If these things had been carefully considered, my humble opinion is that the salt tax would have been unnecessary, and the graduation of the income-tax could have been made gentler and more satisfactory.

"My Lord, it is unnecessary for me to make any suggestions for reform to-day as it is usual on such occasions. I believe most of those suggestions are at this juncture premature; but I do expect and hope that what is freely mentioned now in the papers, namely, that there is to be a Council—by whatever name it is called—for the whole of the Empire, will, so soon after the peace is reached, be constructed. It will be impossible for the House of Commons to add to its present number of members from the other parts of the Empire. In my humble opinion, it is undesirable too having regard to numbers or functions. If the number is over 600 for Great Britain, what should it be for the whole Empire? Not less than 6,000 I should say. Then what about the functions? Will it continue to discuss the health of hops, swine fever and what not all of parochial interest, and are all the members of the Empire to take part in the discussion of such questions? My belief is that there should be an assembly who should be charged with functions relating to the defence of the Empire and with commercial relations and fiscal poliey *inter se* and with the rest of the world and to questions connected with international law. If such a Council is constructed by Statute, electing members from all parts of the Empire, with a small Cabinet constructed partly out of it and partly outside, by nomination by His Imperial Majesty, then we can the more satisfactorily consider all other reforms which will be specially necessary for the various limbs of the Empire according as their local conditions and requirements necessitate.

"Then, my Lord, I join in the expression of national gratefulness to your Lordship in person. It would be exceedingly embarrassing to you and to me to dwell on this matter at any length. The achievements alluded to by my Hon'ble Colleagues who have spoken before me here to-day, are, I think, tangible and visible, recorded achievements only. There are intangible and unrecorded achievements which have to be placed to your credit. The historian of India, in appraising the value of a Viceroy, should take into account not only what he has done, but also the very special conditions and limitations under which he did it. There are at least two limitations—to which, if I may, I shall allude to just at present, one from above and another from the side. First, as to the limitation from above. I beg pardon of the Hon'ble the Finance Minister when I say that I believe it is wrong to call the Government of India the subordinate of the Secretary of State. The relations subsisting between the Secretary of State in Council and the Government of India are at once complex and delicate, but this Government are not, in the ordinary sense, subordinates of the Secretary of State. But still I admit that in a manner this Government is obliged to take instructions which are in reality mandates from the Secretary of State. Then there is the other limitation—arising from the Executive Council. This Council has inherited very great powers both by law and by tradition. It must be remembered that the Executive Council of Madras (which was then the premier Province before accident made Bengal the Government of India) once upon a

time deposed the Governor, arrested and imprisoned him, and before relief could come to His Excellency from Home, he died. Now, the Executive Councils of India are quite conscious of their powers. My belief is that in achieving what you did, my Lord, you have educated your Hon'ble Colleagues of the Executive Council and inspired them into more solid and higher principles and into loftier ideals, both by precept and by example. I consider this achievement of much more national importance than specific instances of policy and measures connected with education and sanitation.

"For all these reasons, my Lord, and if it is true that—

'Peace hath her victories no less renowned than war'

I venture to think that you will take your place, not in the obscure pages of Indian history, supplemented by the inevitable statue, but in the world's roll of heroes."

The Hon'ble Pandit Madan Mohan Malaviya:—"My Lord, at this late hour I will not take up much time by dwelling on the many aspects of the Budget which has been discussed to-day; but there are some points to which I wish to draw attention. There has been a great deal of opinion expressed that if a more earnest effort had been made to reduce expenditure than has actually been made, we might have avoided some at least of the extra taxation. I submit that that is a perfectly fair and just view, and I join my friends who have pressed this matter upon the attention of Government, in expressing an earnest hope that Government will seriously consider the question of appointing a Committee to go thoroughly into the matter. No doubt, my Lord, the present Budget is an exceptional Budget dealing with exceptional circumstances. As such it has received the loyal support of all sections of the community; but it is due to the general tax-payer that the question of a reduction of expenditure should be more thoroughly gone into. In England, a few months ago, a committee was appointed to inquire into civil expenditure, and I understand that it has recommended retrenchment to the extent of 2 millions. Here, too, some retrenchment has no doubt been brought about, but the public is not satisfied that all the retrenchment that could be brought about has been effected. And that being so, I hope the Government will be pleased to consider the question of appointing a committee of non-officials and officials of this Council to go into the matter. I do not want a large committee, much less do I want a commission which should go all over the country. I only want a committee of Official and Non-official Members of this Council to examine our civil expenditure, and to suggest reductions which the Government may see its way to adopt. The second aspect of the Budget which has been criticised relates to the taxes that have been imposed. We need not repeat all that we have said before on this subject. There need be no fear that it will be regarded that we endorse all that has been done, if we do not repeat all that we have urged before with regard to the increase of the salt tax, or any other matter. But I wish to notice some points which have been urged for the first time to-day by the Hon'ble Mr. Stewart. He has urged that the amount required should have been raised by means of taxes other than those that have been imposed. I submit, my Lord, that his suggestions are not at all supported by Indian public opinion. For instance, his proposal to increase railway rates and postal charges would be generally regarded as an unjust addition to the burden of the general tax-payer. On the other hand, the higher income-tax, which he is right perhaps in saying is unpopular to a certain extent with those who have to pay it, is a tax which is regarded by the general public as an equitable tax. Its principle is indisputably sound. Those who are able to pay ought ungrudgingly to pay when they are called upon to do so in the public interest.

"Then, it has been urged by more than one Hon'ble Member that these taxes should be temporary; that they should be taken off after the war. With due deference to these Members, I submit that it is not fair to the general tax-payer to say that all the taxes which have been imposed at present should be

taken off after the war. When the time comes when the question of a remission of taxation can be taken up, it will be proper to consider which of the taxes ought to be taken off and which should be retained. As I have said once before, I hope that when that times comes, the principle that the burden of taxes should be distributed according to the capacity of those who are called upon to bear it, will be steadily kept in view, and that the general tax-payers' burden will be made lighter than it is at present.

"Then, my Lord, the question has been raised of the use that might be made of the additional revenue derived from these taxes if they are retained. I hold that when peace is restored and Government finds itself in normal conditions, the retention of the present taxes will not be justified unless the Government will commit itself to a programme of compulsory education, and a large programme of sanitation and the promotion of indigenous industries. I hope such a programme will be undertaken. If it is not, then certainly there will be very great force in the contention that these taxes should be taken off. My Lord, I leave the Budget with these few observations. I had a desire to go into certain constitutional questions, but time does not permit of my doing so. I am certain that your Excellency's experience of the work of this Council during the last five years and more has fully impressed you with the need for a great constitutional change, both as regards the constitution and powers of the Council. I hope, my Lord, that when the time comes for considering such a change, your experience of the work of this Council will support our demands that there should be greater powers conceded to the Non-official Members of this Council, and that they should have a substantial voice in the determination of questions, both of policy and of executive administration, with which the Government of India have to deal. But I will leave the matter here for the present.

"There is only one other matter, my Lord, to which I wish to refer, and that is your impending departure from our midst. I will not reiterate the regret that we all feel at it, it is unnecessary to do so. I will address myself, if I may, to a different task. In a few short days your Lordship will be leaving us; you will soon find yourself back again in your home in England. I request your Lordship to kindly carry from the people of India a humble message to His Majesty, the King Emperor, and another to our brethren in England. To His Majesty, the King Emperor, I beg your Excellency to convey our deep and dutiful devotion and unswerving loyalty to his person and throne. To our brethren in England, I request your Excellency to convey our message of deep and admiring sympathy with them in the magnificent effort which they have put forward in the righteous war in which the Empire is engaged. My Lord, English patriotism and the English sense of duty stood high enough before the war; but they have reached their climax in the present mighty struggle. We all know that England was unprepared for the war when she had to enter upon it against one of the deadliest of enemies who had been preparing for a whole quarter of a century for it, and yet we know how, though so unprepared, England has risen to the height of the occasion; how she has baffled her opponents and helped her Allies, and that mainly by the voluntary system of military service. In doing so, she has shown to the world what English patriotism and English sense of duty to one's Country and Crown can accomplish! My Lord, several Hon'ble Members have referred to our humble contributions to the war. I am thankful that those contributions have been generously appreciated and acknowledged both in this country and in England; but when I think of them alongside of the colossal sacrifices which England has made, which our English brethren have made and are making, I really wish we were able to render far greater aid to them. But if we cannot, we yet sincerely admire our fellow-subjects, Englishmen and Englishwomen, for the sacrifices they have been making. We deeply sympathise with them in the loss of kith and kin they have suffered, in the bereavements they have sustained; we admire their determination to spare neither life nor treasure to uphold the honour of the Empire and the cause of righteousness throughout the civilised world. I beg your Excellency to assure our brethren of our deep sympathy with them and of our deep admiration for them; of our readiness to offer them every co-operation which it is in our power to offer, and of our earnest hope and

prayer that their great sacrifices will soon be rewarded by glorious results. I request you, my Lord, further to tell them that we hope and trust that when the noble principles for which they have been fighting, the principles of liberty, of justice, of the unmolested independent existence of free nations, have been vindicated and re-established, they will see that these principles will be applied equally and impartially to every portion of the British Empire, and that India and her children will be treated and dealt with as equal fellow-subjects wherever the British flag flies. My Lord, I have done. I hope and trust that wherever you may be, you will continue to take an active and sympathetic interest in the affairs of my country and my people."

The Hon'ble Nawab Syed Mohammad Sahib Bahadur:—

"My Lord, I am sure that the Hon'ble the Finance Member has already perceived with gratification that the reception of his clear and well-thought-out Budget has been as sympathetic and favourable as he had a right to expect. I may say that 'the great concern' which he said the Government of India have felt that the last Budget of your Excellency's *regimé* should involve additional taxation, would by this time have been alleviated by the manner in which the country has accepted his Budget proposals, however much in some respects they were open to objection. The country has realised the import of the unanimous resolution of the Government of India last year of the unswerving resolve of Indians to support the honour, dignity and prestige of the Empire regardless of the sacrifices it may entail on them. In Sir William Meyer and in your Excellency they possess, in the realms of Finance, their staunch supporters against any undue demands of the British Treasury or the War Office on the one hand and the clamours and extravagant demands of the critics of India's contribution to the war on the other. It is unnecessary for me to speak of the deeds of our fellow-citizens in the field, or of the voluntary contributions of the prince and peasant alike for the conduct of the war to a successful issue. Nor need we point to the manner in which additional financial burdens are borne by the people, along with the privations and hardships which the war has entailed on this country as much as on other parts of the Empire. If we then say anything about the actions or the policy adopted by the Government it is not with a view to reduce any legitimate sacrifices required of us, but with a view to have a just and equitable distribution of the burdens of the war in which we should equally share with other parts of the Empire. It is in this view that I venture to join my Hon'ble Colleagues in deploring the decision of His Majesty's Government in England to refuse their consent to an increase in the cotton duties accompanied by a repeal of the countervailing excise duties. I by no means desire, and I believe my countrymen also do not desire, that your Excellency's Government should be embarrassed at this time by any agitation in this connection, but we all do hope that the moment the pressure of the war ceases, India will get her rights in respect of the removal of this burden, and that no pretext will be found to shelve the matter.

"I have to urge the same plea in respect of a more directly financial matter pertaining to the interests of the Provinces which we, Non-official Members, represent. The enhancement of the Income-tax which has now been made is no doubt levied as a war measure,—though with a view to merely strengthening the financial position of the Government of India. But it is to be borne in mind that the taking away of the whole of this extra taxation is a violation of the Permanent Financial Settlement made with the Provinces by which the revenue derived from the Income-tax is to be shared equally between the Provincial and the Imperial Governments. It is no doubt the right of the Government of India, under special and extraordinary circumstances, to call upon the Provincial Governments to contribute to the funds of the Imperial Government, and I presume that this extra taxation is wholly appropriated by the Imperial Government by means of such a call on their part. If, as we all devoutly hope, the increase in the Income-tax is not removed as soon as the war pressure is over, the Government of India, I am confident, will repair and restore the breach in the settlement which they are now making, and give to

the Provincial Governments their just share of whatever increases, by way of expansion or additional taxation, may be left in the Income-tax imposed upon this country.

"There is one other matter pertaining to my own Presidency which, perhaps, I may be permitted to call attention to, and that is in connection with the construction of the Branch Railway lines in our Presidency. It is well known that Madras was the first Province which began the policy of having branch and feeder lines constructed by the District Boards out of special cesses levied for the purpose, and it is only recently that the Government of India recommended this enterprise on the part of the Boards in Madras for other Provinces to follow, while the terms of Branch line constructions have also been recently revised. It has, therefore, been a matter of special regret to us that in respect of certain recent proposals for the expansion of District Board enterprise in the Madras Presidency in this direction, the Government of India have accepted the offer of a private firm in supersession of the claims of the District Boards concerned, though neither is in a position immediately to begin work. The Government of India, according to a recent Madras Government order, entirely accept the principle that the District Boards should generally have a preferential right to construct branch lines as against private firms offering to do the same, but in the particular case under discussion, the Government of India, it seems to me for very inconclusive reasons, have decided that the private firm's offer may be accepted. I understand that neither private firms nor the Boards will be in a position to raise money in the open market until the Government's Loan operations are over; and there is no necessity to have this question decided immediately. There is now another Railway project which two District Boards are willing to undertake, namely, Ramnad and Tinnevelley, but, owing to the unfavourable financial situation, the Bank of Madras has expressed its inability to find the finance for them at the present time. I trust that the District Board's offer in this case will be considered to be pending as against that of other private offers by firms, and the principle of preference in favour of a public body will be duly given effect to.

"My Lord, as one of the oldest members of this Council, I hope you will allow me the privilege of giving a feeble expression to the feelings which are now uppermost in our minds. You have guided the destinies of this country during one of the most eventful and critical periods of its history; but more than that you have guided the destinies of this country at a time when a terrible and an unparalleled struggle is going on with all the resources of science, resources which should have been used for the improvement of humanity instead of its destruction. Our Empire has intervened in this struggle for the cause of humanity, and not for the aggrandisement of Monarchies or Empires. England has lighted this torch not for unity of race or of State, but for liberty, and whatever might be the fortunes of the war in particular theatres or at particular points, its final outcome can only be one and that is the victory of right over might and of liberty over bondage. If your Lordship has not fought this war of liberty on the field of battle, you have fought it no less strenuously in India herself not only in organising the assistance which this great country is rendering in the conduct of the war, but also in the far greater work of ameliorating the condition of millions of His Majesty's subjects whose Viceroy you have been during the past five years. Your Lordship came to this country pledged to a course of pacific progress in foreign as in home affairs, as the one best calculated to promote the honour and interests of Great Britain and the welfare and progress of the people of India. But war became a necessity, and you did not flinch from taking necessary steps in associating the Indian people in the great struggle which is going on in Europe. Not less courageously, however, did your Lordship champion the cause of liberty against serfdom when the people of this country were in danger of such a state in South Africa under the British flag itself. The services you have rendered to the country at that time not only led to the peaceful settlement of an acute Imperial problem, but it has also elevated the status and the rights of the Indians in the estimation of their fellow members of the Empire, a position which subsequent events in the war have led so much to

strengthen. It would hardly be necessary on the present occasion to speak of the principles that uniformly guided you in the internal policy of the country. Though there have been occasions when differences arose on specific measures, still I do not think there was any time at which either the people or their representatives in this Council felt that your Excellency, both in your official and in your own personal capacity, has not striven your utmost for helping and pushing forward the Indian cause. Of the many measures by which you demonstrated this attachment to the cause of the people and the placing of their interests above considerations of prestige or other vested interests, it is equally unnecessary for me to speak ; but what is a matter of the keenest regret with us now is that it has not been possible for you to stay longer—until after the great occasion which, we hope, will arrive on the conclusion of the war for placing India and her people on their true relationship with the Empire as an equal and integral part thereof, with the same status and rights as are enjoyed by the overseas Dominions. We would only miss you in India at that time, but we hope to have at least the consolation of having you in England, in your place, at the time when the Imperial Settlement may be made, to voice the claims of India, to use your knowledge, your position and influence for the millions that are holding your name in such great love and regard, and that you will eventually succeed in obtaining for this country those measures of political reform and a much larger share in the government which would inaugurate for its peoples, an era of Imperial greatness and national progress. In wishing your Excellency a safe voyage home, I pray that you may be called upon in the near future to fill offices greater than the one you are laying down, and take a larger share in shaping the destinies of the Empire. I have only to mention two of your Excellency's last acts to justify this remark. The announcement made by your Excellency the other day about the decision of your Government to abolish the system of indentured labour has been received with universal gratitude, as it will put an end to a form of helotry, to use your Excellency's own word, which has long been resented by the Indian public opinion. I may also take this opportunity of mentioning with what feelings of gratification we have heard of the announcement of the appointment of a Commission to inquire into the question of Indian industries and consider possibilities of their development."

The Hon'ble Mr. Madhu Sudan Das :—" My Lord, it is very late, but I want to say just a few words. I thoroughly associate myself with the words of congratulation that have been offered to the Hon'ble the Finance Member. I should like to add that we have reason to congratulate ourselves that we have such an able Finance Member at the present anxious times. It was our highest aspiration to rise to the same level as the other parts of the British Empire. Your Lordship's Viceroyalty has been distinguished by this that you have tried to raise us. Whatever other Viceroys may have done to improve the condition of one class, or to open appointments to certain classes, you, my Lord, have tried to raise India to the same level as other parts of the British Empire. Fortunate or unfortunate I am inclined to look upon the war as providential. Just at this time war has come, and India has been put to the test. There are many critics who do not believe that India is loyal, but Indian loyalty has been put to the test. We have a Finance Minister who is more anxious to raise and protect the honour of India. He is more valuable to us than a person who is only concerned with the pocket of India. The last time in this Council when one of the Hon'ble Members made some remarks which went to show that India did not do her duty to the Empire at this critical time, Sir William Meyer defended India and added the words 'I love the people of India.' I think we should congratulate ourselves that we have such a lover of India as the Hon'ble the Finance Member at this time. As some remarks have been made with regard to the salt tax, it should be remembered that the Budget is a cast iron, cast in England, a sea-girt island—and it is a matter of no great wonder if it absorbed saline matter there, you may blow as hard as you like you cannot melt it, consequently it remains there.

"My Lord, I should not be doing my duty if I did not on an occasion like this express the feelings of the people of Bihar and Orissa to your Excellency. When you landed in India as Viceroy, with the rest of India, Bihar and Orissa welcomed your Lordship as a Viceroy, but your special attention to that baby province, to the needs of the province and all that has tended to give it a proper status with the rest of India, has thrown a tenderness around the feelings of the people which I shall not attempt to describe for fear that I might destroy that tenderness. At the commencement of your Lordship's *regime* the sky of India was overcast, but on account of your Lordship's statesmanlike steerage, India was soon brought to regions of sunshine and brightness. Your Lordship's sufferings and sacrifices have been enormous; you alone know the extent and intensity of them. I shall not attempt to describe them, nor can any man; the gratitude of India is written in tears of sympathy on the scroll of a nation's heart, and it may be some satisfaction to your Excellency to know that the example of your Lordship's sacrifices have not been lost as lessons upon the nation; they have borne fruits, precious and invaluable to the Empire, that fruit is India's resolution, at any sacrifice, to uphold the dignity, the honour and the prestige of the British Empire. It is the unanimous hope of the province from which I come and of the whole of India that God may grant your Lordship robust health, long life and prosperity, and may fortune and fame attend you in your future course in the world to which you are proceeding. When the sun the luminary of the day has done its duty in the east and goes down the horizon to the west to run its glorious course there, it does not leave the east in darkness. Your Lordship's sympathetic tone and progressive policy will be left behind, and we shall share them in the doings and policies of those Members who were associated with your Lordship in bearing the burden of the Empire. Just as, when the sun sets, we get the reflected light of the sun in the moon, so we shall have the reflected light of the policy of your Lordship in the Hon'ble Members of your Lordship's Executive Council."

The Hon'ble Lieutenant-Colonel Raja Jai Chand:—"My Lord, while congratulating the Hon'ble Finance Member on his surmounting the difficulties confronting this year's Budget owing to adverse circumstances consequent on drought and the greatest war in the history of the world, I can confidently say that the Budget has been prepared with considerable care and foresight.

"My Lord, representing on this Council the Punjab landholders who constitute the backbone of the country, and are already sufficiently burdened by land-revenue, allow me to thank your Excellency's Government on their behalf for very kindly avoiding the imposition of taxes on them at such a critical time.

"Last year I had put some interpellations regarding the maximum and minimum amount of pensions for disabled Indian soldiers, and I am very glad to say that a great deal has been done in that direction. The Indian soldiers have been making innumerable and heroic sacrifices side by side with Allied forces, in defence of the Empire. It is rather more pleasing and a source of pride as well to recall from papers the vivid and glowing description, given every now and then, of the conspicuous gallantry displayed in Dogra Regiments by some Katoch soldiers also of whose caste I have the honour to be a head. It is hoped that a further help would be extended to them by more grant of land. The high class Rajput Dogra soldiers of my part of the country cannot plough for themselves, and have their own ancestral holdings, which are quite inadequate, as I once pointed out, to meet their domestic wants for all the year round. It will, therefore, be only fair if more land were to be reserved for distribution among them.

"I may be allowed to make another suggestion, *viz.*, about 'the Indian Army Bandmaster' who almost all are old soldiers. There exists, of course, a very great 'anomaly' in the Indian Army—that of the non-recognition of

the Indian Army Bandmaster by the Government of India. I wish that the Indian Army Bandmaster be placed on the same footing with his brethren of the British Army by giving him honorary warrant rank on the Indian *Unattached* list, when they would come under the same rules for pay, clothing, pension, etc., as other warrant officers. The result would be that on one hand many an Indian Army officer, anxious to be off to the front, could be set free from the monotony of Depôt work, and on the other, there must be lots of work with the field army at the present time, either in or out of India, in which an Indian Army Bandmaster could be usefully employed, according to his position instead of having to live and sit idle at his regimental depôt.

"I hope I will be allowed to put in a word for the Indian soldiers, and that is, that allowances granted to them in one theatre of war should be on a par with those granted in the other, so that the soldiers may not feel the difference, and I also trust that the question of increase of pension for the soldiers fighting in the battle-field shall receive the favourable consideration of the Government in due course.

" One word more, my Lord, and I am done. My family owes a deep and an everlasting debt of gratitude to your Excellency's illustrious grandfather, in whose benign Government we first got the Sanad-i-Tamlik of the Jagir followed by the grant of the title of Raja. I warmly thank your Excellency on behalf of the Punjab Chiefs' Association of which I have the honour to be a member, and land-holders of the Punjab in whose economic, social and educational welfare your Excellency has always been evincing keen interest. The idea that your Excellency is leaving India at a time when she badly needed your Lordship's far-sighted guidance and sound counsels, is inexplicably shocking and painful, but there is no other way but to yield implicit submission to the decision arrived at by His Majesty's Government. We wish your Excellency safe journey home, and fervently pray to the Almighty God to grant you long and peaceful life and prosperity—.

The Hon'ble Sir William Meyer :—" My Lord, as my friend Mr. Birkett remarked in the course of a very kindly speech, it is a source of great gratification to me, as Finance Member, that the Budget this year has been so well received. As your Lordship said this morning, in unveiling the bust of my distinguished predecessor, the preparation of the Budget is, in any case, a difficult and anxious task in India; infinitely more so, of course, in a year in which ordinary conditions have been dislocated by war, and in which it was necessary to prepare a far-reaching scheme of taxation. My Lord, you, as head of the Government, know with what care those taxation proposals were framed, and how anxious we all were to distribute the burdens we had to impose equitably; and I think we have our reward in the reception that the Budget has received. There has been general appreciation of the fact that additional taxation had become necessary; general appreciation of the fact that we had put the burdens on the right shoulders. I do not, of course, mean that there have not been criticisms on this point or on that; it would show an almost unhealthy state of unanimity if there were none such; but I think we are entitled to congratulate ourselves on the reception that the Budget scheme, as a whole, has met with; and I in turn would like to congratulate my Non-official Colleagues of this Council on the business-like way in which they dealt with the legislation which I had to propose a little time ago.

" Well, time is short and Members are naturally wishing to hear your Lordship. I won't go again over ground which has been trodden in previous debates as to whether we should or should not have imposed the salt tax, whether we ought to have budgetted for a surplus and so on. All that has been discussed before. We had various criticisms, and I gave what I thought were adequate answers on the part of Government.

"I will just mention a few new points. Various members have shown themselves laudably solicitous, during the debate, as to when these new taxes

are coming to an end; will they be purely war taxes, or will they go on? I can only repeat what I said on that subject in a debate here on the 7th March, I will read it out:—

'Then, I have been asked what I shall do later on if peace and prosperity return, and we find ourselves in an era of surpluses. I can give no pledge as to the repeal of any particular tax now imposed; when we are nearer to prosperity we shall have to consider the matter. My own personal view is, that when we come to consider the remission of taxation generally, the taxes to be first considered are those which specially affect the poor, and I say this that when we come nearer to prosperity, if I am still in office—or if I have gone, I can say the same of my successor—Government will take into consideration how far the taxes which have been imposed in times of adversity need to be continued, and if remissions are thought desirable, what particular form those remissions should take.'

"I cannot add anything, my Lord, to what I said then. We have had various remarks about the precise form the conversion proposals in our forthcoming loan will take. I am fully cognisant of the importance of the terms to be offered and with the difficulties of the situation. As I said in my speech introducing the Financial Statement, one has to try and hold the balance even between the general tax-payer and the holders of Government Paper. We want, naturally, to help the holders of Government Paper as far as possible, but we cannot do that unduly at the expense of the tax-payer. I shall be going down to Bombay presently, and shall take the opportunity of discussing these matters with representatives of Presidency Banks and others. My Hon'ble friend Mr. Sitanath Ray, for instance, has spoken to me on the subject. I shall be only too happy if he will give me his views in a Memorandum, and they shall be most carefully considered, as also those of any other Member of Council who feels inclined to write to me on the subject. There has been some suggestion as to a separate sub-head for Sanitation: at present we have a single head, 'Medical' which includes Medical and Sanitary expenditure. I shall be very glad to consider the desirability of that; and it is quite possible that by next year we may have accomplished it. I would remind the Council that we did something analogous last year when we separated agricultural expenditure from that on scientific and miscellaneous departments.

"Turning now to certain individual criticisms, I think the only real jarring note was that struck by the Hon'ble Mr. Stewart. Mr. Stewart, somewhat to my astonishment, accused me of being cynical because I gave correct figures about income-tax. He said it was cynical to tell the truth. Well, I would remind him when he laid stress on the small number of people who pay income-tax, that India is mainly an agricultural country, and that agricultural profits are exempt from income-tax. But if you want cynicism pure and unalloyed, take the Hon'ble Mr. Stewart's own case. He sat quiet in Council when we had the discussion on the Tariff Act and the Income-tax Act; never a word said he: when he comes to this day's debate, he proceeds to make a number of criticisms which, if they were valid at all, he ought to have made either by introducing amendments himself at the legislation stage, or by supporting the amendments of somebody else. He now says the income-tax was quite unnecessary, you could have got the amount by raising railway fares, by raising postal charges. Well, the increased railway fares would be contributed mostly by the poor; the postal charges would be contributed largely by the relatively poor. If Mr. Stewart is cynical enough to suggest that he and his friends should get off income-tax in order that the poor may pay extra in the way of railway charges, etc., I certainly am not going to adopt such a proposal; and as my friend the Hon'ble Sir Ibrahim Rahimtoola took occasion to remind him, if we once begin to consider new sources of taxation, there are other possibilities.

"Then my friend the Hon'ble Pandit Madan Mohan Malaviya proposed a Retrenchment Committee. That is a very usual panacea when times are hard, but having had some considerable practical experience of Retrenchment Committees, I can assure my Hon'ble friend that they generally act in the opposite direction. You have a Committee; you hear a great number of suggestions for the decrease of expenditure; the Departments at once get on their mettle and say that this expenditure is of the most desirable description

and then to carry the war into the enemy's camp they say that, so far from spending too much, they have not been spending enough, and they propose additional schemes of expenditure. So that, as has been remarked at home, Retrenchment Committees generally eventuate in an increase in expenditure. My friend referred to Lord Midleton's Committee at home. I believe we had Lord Midleton complaining in a pathetic way lately that they had made various suggestions for retrenchment which the Government had declined to accept. Again, even assuming that a Committee would be a good instrument ordinarily it would certainly not be so at present. We are all exceedingly busy during the war, not merely at Budget time, but throughout the year, and it would certainly be a very poor economy to have the time of the Finance Department, the Army Department, the Commerce Department, and practically every Department in the Government taken up, when they ought to be doing urgent work by considerations as to retrenchment. I must ask the Hon'ble Pandit to believe that, as Finance Member, I save money where I can, but I also have come to learn, and I am now a middle-aged man, that sometimes it is bad economy to save money, that you may save money and incur greater loss in the way of friction. However, I am sure that my Hon'ble Colleague, Sir William Clark, will bear in mind the admonitions of my friend Mr. Vijiaraghavachariar as to the expenditure on the Telegraph Department.

"Well, I will not detain the Council any longer, my Lord. There are various points which time does not allow me to glance at, but I may assure my Hon'ble friends that I bear them in mind.

"I would thank the Council once more for the kind references they have made to myself; and anything that is said about myself I venture to pass on to the officers of my Department and to my Colleagues in the Government. I have been helped, if I may say so, in a very special way in the framing of this Budget by the Hon'ble Sir William Clark—whom I am so grieved to have to lose presently—and by his officers. I hope, my Lord, that next year, when we meet again, things will have turned out well, that the monsoon will have behaved properly, and that I shall be able to give the Council a more cheerful Budget than on the present occasion."

His Excellency the President :—"Before I deal with the Budget and other matters, I wish to thank Hon'ble Members for the very kind and appreciative remarks that they have been pleased to make on me and my administration in their speeches to-day, and to assure them how highly I value their words, and how much I shall always treasure the remembrance of the very friendly sympathy of the Members of my Legislative Council at this the last meeting over which I shall preside before I leave India. I am profoundly grateful to you all.

"I have to congratulate my Hon'ble Colleague, Sir William Meyer, upon the reception accorded to his Budget. In the earlier years of my Viceroyalty it was our good fortune to be able in effect to give back money to the taxpayer. But on this occasion we have had to raise additional revenue on a considerable scale; and it is a remarkable circumstance that a Budget in which new taxation is the foremost feature has been received with more general approval than perhaps any Budget of my time. I attribute this to two causes—First, we have done our best to distribute the new burdens fairly, and this has been generally recognised. But chiefly, I think, we owe the easy passage of our fiscal proposals to a very general feeling of public spirit which desires to help the Empire at this time of need. In this respect, the Council has faithfully reflected the general body of public opinion outside, and I am grateful to you and to those you represent for thus strengthening our hands. Any measure which fortifies our general financial position is a real service in the prosecution of the war; and though I am happy to say that, in some respects, our position is stronger than might have been expected, I can assure that small minority which still doubts the full necessity of the new taxation that our Budget dispositions take by no means an exaggerated view of the contingencies for which we ought to be prepared.

"I do not propose on this occasion, amid the pre-occupations of the war period, to embark on any full review of the financial history of my administration. Our policy before the war was one of development, material and social. Our productive capital expenditure had reached by 1914 a scale previously unattained. For education, sanitation and other special purposes, we had increased the permanent resources of the Provincial Governments by one million a year, and to the extent of £7 million more in non-recurring grants. We had reason to hope for a gradually increasing utilisation of India's available resources through the borrowing policy pursued during Sir William Meyer's incumbency of the Finance Membership. Generally, as I think I may claim, we had succeeded, in matters of banking, currency and the like, in getting into closer working association with the commercial community; and finally, our whole finance and currency system had recently been overhauled, and we had hoped, in some directions, to make a fresh start on more progressive lines.

"These hopes and activities have been disappointed and arrested by the war. India, however, cannot complain if the even tenour of her progress has been checked. Her financial system has well withstood the strain of the last 18 months, and she has not had to suffer the complete upheaval of her trade and the diversion of all her energies to other channels. The measures which we have taken this session will, I hope, secure her financially in the 12 months which lie before us, and she may hope to emerge from the war in a strong position. I think I may congratulate this Council and the country that this strength has been obtained with relatively so small an addition to her fiscal burdens.

"Sir William Meyer has explained the attitude of His Majesty's Government towards the proposal made by the Government of India that, in the new taxation proposed in this Budget, the import duty on cotton should be raised, leaving the excise duty on cotton at its present rate, an assurance being given by His Majesty's Government of the future abolition of the excise duty as soon as the financial situation would permit of such a course. He has also explained that His Majesty's Government feel that the raising of this question at the present time would be unfortunate, since it would provoke the revival of old controversies at a moment when it is specially desired to avoid all contentious questions both in England and in India, and that it might prejudice the ultimate settlement of larger issues raised by the war. I need hardly say that the Government of India have no desire to create controversy here, in England, or anywhere else at the present time, by the discussion of questions affecting Indian interests, but they are glad to have had the opportunity of placing on official record their views that the import duties on cotton fabrics should be raised, and that the excise duty should for the present remain at its actual figure, and an assurance given that it would be abolished as soon as financial considerations will permit.

"But His Majesty's Government, in expressing their desire that a conflict should not be raised at the present time over the cotton duties, have made a definite declaration which has already been quoted by the Finance Member in his speech introducing the Financial Statement, but which I now repeat as I regard it as of very great importance to India It is as follows:—

'His Majesty's Government feel that the fiscal relationship of all parts of the Empire and the rest of the world must be reconsidered after the war, and they desire to leave the questions raised by the cotton duties to be considered at the same time in connection with the general fiscal policy of the Empire and with the share, military and financial, taken by India in the struggle. His Majesty's Government are aware of the great interest taken in this question in India and of the impossibility of avoiding all allusion to it when new taxation has to be raised, but they are confident that their decision is in the best interests of India, and that premature discussion of this particular issue could only be harmful.'

"Now I wish to be very careful in not reading into this declaration an interpretation that would not be justified, but I think that I am fully justified in saying that it contains an assurance that the fiscal relations of India in the Empire, towards the Empire and towards the rest of the world will be reconsidered after the war in connection with the general fiscal policy of the Empire, and that the best interests of India are

being taken into account in postponing a decision about cotton duties which, after all, form only a small fraction of the fiscal system built up in India. We are all unanimous, I think, as to what the best interests of India in connection with the cotton duties may be, and I regard this declaration that I and my Government have been authorised to make in the name of His Majesty's Government as a far-reaching pronouncement of statesmanship and full of hope and promise, implying as it does the possibility or, I may even say, the probability of a broad reconsideration of the fiscal interests of India from a new 'angle of vision.' It seems to me to mark a new departure, that it places the future position of India much higher than would have been done by the simple acceptance of the proposals of the Government of India, and I think that the Government and people of India may, with this declaration before them, await the future with patience and confidence.

"In closing the discussion on his Resolution of the 20th instant relating to the abolition of Indian indentured emigration, the Hon'ble Pandit Malaviya asked that Government would, as an interim measure, take steps to mitigate certain abuses and hardships in connection with the recruitment of labour in India and its despatch to the Colonies.

"One at any rate of his proposals referred to a matter which was then under consideration, and I thought it best to take a little time for examining it before I replied. I am happy to say I find myself able to meet him on most of the points he brought forward. With reference to his first request, my Government propose to ask Local Governments to examine carefully the conditions under which recruitment for the Colonies is carried out. In the next place, the Government of India will take an early opportunity of arranging for the insertion in the agreement of all necessary particulars regarding the penal provisions of the contract. With reference to the Hon'ble Pandit's third request, I think the best way of meeting it is by our asking the Secretary of State that the attention of the Colonial Governments should be drawn to the religious objections that are felt by many Hindu castes to such forms of employment as those which he mentioned.

"Another six months have passed since I last addressed you in Simla on the subject of the terrible war now devastating Europe, and we seem to be still a long way from its close.

"In the Western theatre of war the British and French Allies steadfastly maintain their position, and are every day growing stronger in numbers, material and supplies. No very serious attack has been made on the British lines that has not been easily defeated, and the French, with their usual bravery, have most gallantly resisted and driven back, with tremendous losses, immense masses of German troops that had been gradually collected by the German Commanders in order to make a supreme effort for a decisive victory before the moment arrives that they anticipate and dread of a general advance on the part of the Allies. This advance will probably not be long deferred and, you may rest assured, that it is being deferred only in order to make it, when the time comes, the more deadly. On the Austro-Italian front the Austrians are being slowly but surely driven back by our gallant Italian Allies. The theatre of war, in which the most decisive results have recently been achieved, has been in the Caucasus and in Northern Persia, where the Russian Generals have gained some remarkable successes, including the fall of the fortress of Erzerum, regarded in Constantinople as impregnable, and the storming of Bitlis, less than 100 miles from the Tigris, together with the capture of immense quantities of prisoners, guns and material, while in North-Western Persia the rebel gendarmerie and the Turks with them have been repeatedly defeated, so that the brave Russian troops have now, it may be hoped, finally destroyed Germany's hopes of making Persia, as she has already made Turkey, the cat's-paw of her insensate ambition.

"There have been unfortunate developments in the Balkans owing to the treacherous intrusion of Bulgaria into the war against Russia, her liberator in the past, and England and France, her supporters and well-wishers in all

her legitimate aspirations. Servia and Montenegro have, after a glorious struggle against overwhelming forces, temporarily ceased to exist as Kingdoms, but the Allies are confident that the Teuton and Bulgarian forces will be ultimately expelled from the lands they have occupied and ravaged in the Balkans, just as Belgium and Poland will witness at no distant time their deliverance from the cruel yoke that Germany has temporarily imposed upon them. There may be some who question upon what such confidence is based, and to these it may be confidently replied that, while Germany and Austria are slowly but surely bleeding to death and unable to compel by any decisive success the peace which it is known that they now desire, England, France, Russia and Italy are daily growing stronger and by close and active co-operation, both military and economic, are exercising a pressure which will soon become irresistible. As I said before in Council last September, the deciding factor in this struggle will be British sea-power. It is the sea which unites and welds together in a common effort the widely distant territories of the Allies. It is sea-power that is protecting the shores of India and Indian commerce from the ravages of the enemy, and it should not be forgotten that, even if—which God avert—disaster befell the arms of England and her Allies on land, British sea-power would still remain, rendering Great Britain and her possessions invulnerable, and placing England in the position of being able to impose terms upon the Central Powers before a single German or Austrian ship would be allowed to sail the open sea with impunity. Not that there can be any doubt as to the ultimate victory of the Allies upon land, but it is the British Navy that is gradually but surely strangling the enemy with a grip that will never be relaxed until peace has been secured on such terms that the smaller Powers shall regain their full liberty and independence, and that civilisation shall no longer be endangered by the dreams of conquest and the military despotism of a Power which has arrogantly proclaimed Might to be Right. Until absolute and incontestable victory has been achieved, there can be no flinching from our duty, and no peace without being faithless to our ideals of truth and liberty and to our responsibilities to civilisation and the future of the world. The German menace that has weighed so heavily on Europe for the past generation must be reduced to impotence and permanently removed.

"Turning to foreign affairs nearer home it is pleasant to be able to state that in Persia there has been a very distinct improvement in the situation. We are on the most friendly terms with the Persian Government, who have at last realised the danger to which their country was exposed by the machinations of German and Austrian bands and are doing their utmost to suppress them. I need hardly say that, in their efforts to restore order, the Persian Government will continue to have our hearty co-operation and assistance in any way that they may desire.

"Our friend and ally, the Amir of Afghanistan, continues to maintain very friendly relations with the Government of India, and has recently renewed his assurances to observe an attitude of strict neutrality, and we have naturally implicit confidence in his royal word.

"On the frontier perfect tranquillity has for some time prevailed, except for raids by gangs of Mahsuds in the Dera Ismail Khan District. The cup of their misdeeds is already overflowing, and the day of retribution is at hand. As soon as our pre-occupations elsewhere are relieved, and when it suits our convenience, it will be necessary for the Government of India to take drastic steps to put an end for ever to the campaign of murder and plunder that has disgraced the Mahsud tribe during the past few years.

"Except in Bengal where, I am sorry to say, there has been a regrettable number of murders and dacoities, which dim the fair fame of that province, and which every effort should be made not only by the Government, but by the people themselves to suppress, the internal situation of India could hardly be more favourable, and it is a source of profound satisfaction for me on the eve of my departure to be able to say so. We do not feel the shock of battle here as the nations feel it in Europe, but we have had ample evidence

of German designs to create trouble in India which have so far proved abortive, based as they were on the fallacy that India would be disloyal to the Empire During the past 20 months of war the people of this land have displayed a loyalty and patriotism, deeply appreciated by the Empire at large that have been beyond all praise, and have entirely justified the confidence and trust that I reposed in them. Heads of Governments have told me that never in their experience have the relations between the Government and the people been closer or of greater confidence, and I readily believe it. When I hear pessimistic prophecies or apprehensions as to the future of India, I ask myself who, 20 years ago, would have predicted the magnificent loyalty of the Ruling Princes and the people of India which we have seen since the outbreak of war? None ever doubted the valour of the Indian Army, British and Indian. But who would have said 20 years ago that it would be possible to send out of India to the different theatres of war army after army of brave and experienced soldiers? When it is remembered that the largest expedition that ever left the shores of India before the present war numbered only 18,000 men, and that since the outbreak of war, India has despatched about 300,000 soldiers overseas, and has contributed several millions pounds worth of war material to the Empire, I think we have every reason to be proud of the efforts that India has made, and of the situation on, and inside our, frontiers that have rendered such efforts possible. Many gallant men have, alas! died for their country. Of these, the whole Empire is the tomb.

"As this is the last occasion upon which I shall have the privilege of addressing the Members of my Legislative Council, there are certain subjects of general interest, upon which I would like to say a few words.

"My stay in India is now fast drawing to a close, and as I look back upon the past 5½ years, they seem full of incident, and there is much of which India may well be proud, but I cannot help feeling how much there is also that is still left undone, that I would wish to have seen done, and that I am confident will be done in the not far distant future, to secure that peace, contentment, and progressive development which must be the end in view of every far-sighted British statesman who conscientiously recognises the duty of Great Britain towards this country, who remembers the engagements given to the people of this land by successive Sovereigns, and who realises that it is only by the study of the welfare of the people, and by the reconciliation of the administration with the awakening and legitimate aspirations of the people that the foundations of British rule in India can be broadened and solidified. There can be no finer ambition for my country than that the future historian may be able to describe how a bruised but ancient country of old civilisation and culture, after centuries of invasion and conquest, had been uplifted and gradually strengthened till it could stand upon its feet, and how the child had become a source of strength and gladness to its mother country.

"It is difficult as yet to foresee what the results of the terrible war now in progress will be upon the civilisation of the world, but there can be no doubt that national ideals and common aspirations will be purified by the knowledge of the united effort that has been made to crush a debased system of culture founded on the hypothesis that Might is Right. It is devoutly to be hoped that this sense of unity may prevail long after this war has ceased, and that it may be the prelude to the disappearance of all religious, class and racial discord which, I unhesitatingly say, can be productive only of harm, and which tends to sap all healthy development and impede all real progress. In no country is unity more absolutely necessary than in India, but unfortunately, and I say it regretfully, we are still far from that ideal. It can only be achieved by a real effort on the part of all classes to understand each other better and to inspire one another with mutual sympathy.

"During the past few months I have seen mention made in speeches at meetings in the country and in the press of self-government, Colonial self-government and Home Rule for India. I have often wondered whether those

speakers and writers fully realise the conditions prevailing in Dominions, such as Canada or Australia which render self-government possible. I wish that some of these could visit the Dominions and see for themselves. A study of the history of these Dominions would show that the development of their present self-governing institutions had been achieved, not by any sudden stroke of statesmanship, but by a process of steady and patient evolution which has gradually united and raised all classes of the community to the level of their enhanced responsibilities. I do not for a moment wish to discountenance self-government for India as a national ideal. It is a perfectly legitimate aspiration, and has the warm sympathy of all moderate men. But in the present position of India it is not idealism that is needed, but practical politics and practical solutions to questions arising out of the social and political conditions in this country. We should look facts squarely in the face and do our utmost to grapple with realities. To lightly raise extravagant hopes and to encourage unrealisable demands can only tend to delay and not to accelerate political progress. I know that this is the sentiment of many wise and thoughtful Indians. In speaking thus frankly it is far from my intention to create a feeling of discouragement, for nobody is more anxious than I am to see the early realisation of the just and legitimate aspirations of India, but I am equally desirous of avoiding all danger of reaction from the birth of institutions which experience might prove to be premature. During the past 5½ years I have steadily kept this aim in view, and, as far as I am able, will do all in my power to help the course of Indian progress in the future.

"Nothing that has occurred during the past 4½ years has made me change by a hairs-breadth my views as to the soundness of the policy defined in that much disputed third paragraph of the Despatch of the Government of India of August 25th, 1911, the responsibility for which rests especially upon myself in conjunction with my late friend Sir John Jenkins. The meaning of that paragraph has been much discussed, but as it is written in plain English, I see no necessity for explaining it. I only wish to emphasise the fact that it was not contemplated that the policy adumbrated should be fulfilled in its entirety in the immediate future, or within a specified period of time, but that the progress towards the foreshadowed goal should be steady and gradual. Speculation as to the rapidity with which progress is to be made or the precise definition of the goal to be achieved would be profitless, but my strong advice is not to go too fast, and to be sure that you can walk firmly before you try to run. This is very clearly expressed in the text of the paragraph, and I claim that, during the 4½ years that have elapsed since that Despatch was published, the Government of India have been true to the policy indicated, although they have not always been able to give full scope to their wishes. During that period Bengal has become a Presidency with a Governor in Council; Bihar and Orissa form a Province with a Lieutenant-Governor in Council, and with a majority of elected Members in the Legislative Council; Legislative Councils, with non-official majorities in each, have been given to the Central Provinces and Assam; Bihar and Orissa has received a High Court; and I have no doubt whatever that in a very short time the recommendation of the Government of India for the creation of an Executive Council for the United Provinces and a High Court for the Punjab will be accepted. Surely this is a good record for the past 4½ years, and surely the pace has not been slow.

"A further change in the same direction that I regard as very desirable is greater decentralisation and less interference from the very top to the lowest rung of the administrative ladder, and the recognition that to endeavour to attain a drab uniformity in this country, where such wide variations in habits and thought exist, can only lead to local discontent and ultimate failure. While the Imperial Government retains, and must retain, the power of initiative in policy and control, it should steadily, and on broad lines, delegate more and more power to Local Governments to dispose of matters of merely local or secondary importance. In pursuance of this view, it has been my policy to give as much freedom as possible to Local Governments, and never to

override them except under the most urgent necessity, bearing always in mind that it should be the part of the Government of India to control, and theirs to administer.

"The fact that, at the conclusion of this great war, questions of far-reaching importance to India will arise, provoking discussion and requiring sympathetic decision, is patent to all. Many such questions have had my most earnest consideration, and the Home Government are in possession of my views as to how they should be solved in a generous measure, but this is neither the time nor the place for dwelling upon them. I was glad when I read Sir Satyendra Sinha's speech at the National Congress last December in which he strongly deprecated treating the satisfactory solution of such questions as a concession in return for Indian loyalty. Loyalty has no price, it is priceless, it is not an object of exchange and barter. Whatever changes may in due course be made will be owing to the fact that they are justified by the indomitable bravery of our soldiers, by the patriotic attitude of the people of India during a period of difficulty and stress and by their political progress and moral development during the past few years. I will only say this, that the question of the improvement of the status, position and prospects of the Indian officers and men of the Indian Army is one that should have precedence over all others, for it is they who have borne the danger, heat and burden of the day, and have nobly maintained the honour and fair fame of India in the vanguard of the British and Colonial Armies in Flanders and other theatres of war. I would urge further that special provision should be made by Government for those who have suffered permanent injuries, as well as for the education of the orphans of Indian soldiers who have perished during the war, and that the future prospects of such children should always be a matter of concern to the Government and people of India.

"As regards the position of India within the Empire, the announcement which I made in this Council last September to the effect that India's demand to be represented in future on Imperial Conferences would be sympathetically considered by His Majesty's Government is, I think, likely to become historic, for it marks the beginning of a new era, and the growth of more liberal ideas in regard to India not previously entertained. At the same time the reception by the Colonial Press of the resolution relating to the representation of India at the next Imperial Conference, proposed in this Council last September by the Hon'ble Mr. Muhammad Shafi and unanimously accepted, was most encouraging, and was a good indication of the change in the angle of vision of our fellow-subjects in the Dominions towards India, and the place that India should hold in the Councils of the Empire. I feel confident that the statesmen of the self-governing Dominions, recognising the splendid services rendered by India to the Empire during the war, will generously seek a modification of the constitution of the Imperial Conference, so as to admit the properly accredited representatives of India to sit side by side with them at the Imperial Council table on terms of equality. I rejoice in this matter to leave India with high opportunity before her to take her place, a just and proud place, in the Empire.

"You may remember that a year and a half ago, I made suggestions for the consideration of Hon'ble Members for the settlement with Colonial Governments of certain emigration questions which had become acute in connection with the case of the *Komagata Maru*. I have not pressed you for your answer to my suggestions during the course of this war, as I have been anxious to eliminate, as much as possible, all controversial questions from our midst. These questions will, however, inevitably arise when the war is over, and I feel sure that the Dominion Governments, realising more forcefully than ever before that India is a living unit of the Empire, will approach all such questions at issue in a broader and more generous spirit than heretofore. But from what I have, on certain occasions, both heard and read during the past year, I do feel that a word of caution is necessary, and that people in India should remember that however desirable the realisation may be of the proud ideal of equal liberty for all those who can say *Civis britannicus sum*, the Dominions

have also their own ideals of self-development, and the Dominion Governments are masters in their own houses. In matters such as these which are largely, but not altogether matters of sentiment, they are amenable only to persuasion and not to compulsion. I feel some anxiety lest the people of India may not fully realise the actual standpoint from which the Dominions should be approached, and lest, in striving to grasp the shadow, they should lose the substance. Where interests are held to clash, the principle of reciprocity often affords a basis for a practical solution which would be vainly sought in the assertion of theoretical rights.

"I wish also to say a few words to-day on the subject of the new Capital. As you all know the building of the new city was ordained by the Royal and Imperial word of our King-Emperor, in the presence of the Princes and representatives of the people of India at the Coronation Durbar of 1911. During the past 3½ years, and in fulfilment of His Majesty's commands, plans have been prepared, ground levelled, roads laid out and much necessary spade work has been done. Had the situation been normal, more could have been done during the past twelve months, but, in consequence of the war, I felt it necessary to curtail expenditure to the lowest possible limit consistent with the avoidance of loss. Nevertheless the walls of the Government buildings are steadily rising, and I have no fear that the time that has been lost will not be easily made good later on. I may mention that the King-Emperor takes the greatest interest in the progress of the new Capital, and has often referred to it in the letters with which His Majesty has honoured me. The lay-out of the new city and the designs for the Government buildings are on a noble scale befitting the importance and dignity of an Imperial Capital of India. For such an enterprise the estimated expenditure is not excessive, and I see no reason why, with intelligent supervision, it should be exceeded. It may take longer to complete than at present reckoned, but what I would urge upon you and the people of India is that no unworthy considerations and petty ideas of parsimony should ever induce you to consent to any curtailment of the future glory and beauty of the new Capital of India, which I am convinced will some day be a source of pride to you and your children's children, and will stand forth in the future as a monument to the progress and national development of India. Sufficient time has now elapsed, and the test of war has sufficed to prove that the move to Delhi has resulted in no loss of efficiency to the Government of India, while the advantages of having the Capital in a central position equally accessible to all, and in a position of detachment from provincial connections, is beginning to be fully realised by all, and by none more than by the Ruling Princes and Chiefs. It is to my mind an integral and essential part of a great national policy of political self-development which must commend itself above all to those who hope some day to see India hold a position of equality amongst the sister nations, of which the British Empire is composed. At the same time it is a source of pleasure to me to know that Calcutta, the premier city in India, has never been more prosperous than it is to-day.

"It only remains for me now to take leave of my Council, and I do so with a pang of regret at the thought of how little more I can do to help and to serve the people of this land. Still I am full of hope and faith in the future, and it is with a deep sense of confidence that I shall in a few days' time relinquish the helm to my successor Lord Chelmsford, whom I regard as a man of noble ideals and of generous sympathy. India will, I know, trust him as India has trusted me.

"In arriving at the close of this session, we have arrived also at the end of the extended term of this Council. I remember well the occasion when I first presided over this Council in Calcutta on the 3rd January 1911. I then stated my hope and belief that a frank expression of opinion might assist us to understand each other and to appreciate one another's point of view. There have been many changes in my Council since then, but throughout these years my hope and belief have been more than justified, and I think I can say, from experience gained in different parts of the world, that this Council is second to none

in the dignity of its proceeding and the good feeling that animates its Members. We have been Colleagues in this Council for the past 3½ years, and some of us for 5½ years, and surely if anybody has a right to call you his friends it is I, for you have always treated me with invariable friendliness and courtesy, and I think I may say that, during these past years, although we may not always have been in full agreement, I have never known a discordant note in my Council. Further, you and the people of India, whom you represent, have shared with me my joys and my sorrows, and, although the latter have been heavy, I have also had joy which has helped me to bear them. For I have felt that it has been a great joy and at the same time a priceless privilege that I have been able to dispel many illusions and false impressions, and to display not merely to England, but to the whole world the intense and patriotic loyalty not only of British India, but of all the Ruling Princes and Chiefs to the British Crown and the Person of the King-Emperor, and the sacrifices that Indians of all classes and creeds have been ready to make in defence of the Empire and of Right. Whatever the future may bring forth, this will always be a glorious page in the history of India.

"It would be idle for me to pretend that, in taking official leave of you today, I am not deeply affected by the thought that our days of co-operation have now almost closed, but I wish to express to you, Members of my Council and to the people of India whom you represent, my very warm appreciation of the confidence and trust that you have always displayed in me and my administration, and to thank you again for your ever friendly help. I wish also to acknowledge with gratitude the help that I have received from the Members of my Executive Council, the Heads of Governments, Secretaries, and the officials, who have done so much in India in the past of which they may be justly proud, and who are now shaping themselves to meet the changed circumstances of advancing representative institutions. I am the second of my family to hold the highest office under the Crown, and I leave India with an inherited love increased manifold by personal experience of the sterling qualities, the kindness and the sympathy of the people of India. I can honestly say that I have given up my best for India, and that she will never be absent from my heart and my thoughts. I shall continually pray that the peoples of India may be blessed in all those things that make life brighter and better worth living.

"In wishing this Council steady progress and development on safe and sound lines, I now declare this session closed and bid you all farewell."

The Council adjourned *sine die*.

A. P. MUDDIMAN,

Secretary to the Government of India,
Legislative Department.

DELHI;
The 26th March, 1916.

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